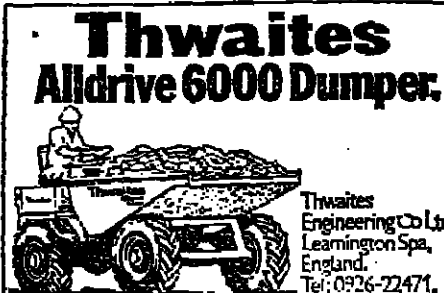
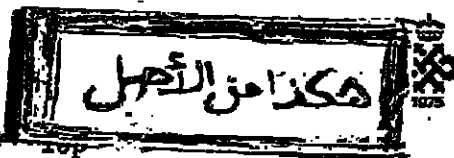


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NEWS SUMMARY

GENERAL

ITV's soccer deal rejected

The Office of Fair Trading has blocked London Weekend Television's bid for exclusive coverage of football games next season.

Iran crisis

Iran's new civilian government faced a fresh crisis with the withdrawal of General Feridoun Jam, who was expected to provide contact with the Shah and the military establishment.

Taiwan threat

China said it might use force to reunify Taiwan with the mainland if the island refused indefinitely to negotiate or if Russia tried to interfere.

Belgian Premier

Wilfried Martens, chairman of the Flemish Christian Democratic Party, agreed to form the next Belgian government.

Recognition offer

Vietnam recognised the People's Revolutionary Council set up in Phnom Penh as the legal government of Kampuchea.

Gulf denial

Gulf Oil denied responsibility for the Beirut Bay tanker explosion in which 50 people died.

Tanker safe

The 132,000-ton Norwegian super-tanker Wilstar has arrived back safely at its loading port of La Senna, Tunisia.

Toils setback

An attempt to stop the public inquiry into Government plans to raise highway tolls failed yesterday.

Briefly

Two Kurdish soldiers in Vienna were shot and injured in an apparent attack on the son of a Kurdish nationalist leader.

Masked gunmen attacked a Rome radio station, wounding five people and setting the studio alight.

The two mountaineers who climbed Nelson's Column last October had a charge of criminal damage against them dismissed at Knightsbridge Crown Court.

Denmark's Home Guard has banned all exercises in Copenhagen's embassy district.

A guardman had caused a diplomatic incident by resting on the doorstep of the Yugoslav Embassy.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS	FALLS
Brown and Jackson 224 + 6	Williams and James 115 + 7
Dawson Intl. 39 + 3	Sogomana 203 + 10
Flintley 101 + 1	Ramai Tea 285 + 30
Gough Intl. 281 + 4	Charter Cons. 183 + 5
Highland Dist. 28 + 4	De Beers Drd. 408 + 5
Horns Charm 245 + 11	Lydensburg 73 + 5
Lifwood 343 + 44	Messina 74 + 12
Muirhead 227 + 11	Palabora 440 + 20
Nurdin and Peacock 89 + 6	RTZ 233 + 6
Perry (L.) 120 + 8	
Rank Org. 276 + 8	
Restnor 77 + 3	Excheq. 91pc 22 5891 - 1
Rowton Hotels 187 + 8	Helma Irva 45 - 3
Samuel (H.) A. 204 + 5	Haslemere 230 - 5
Sainsbury Film 136 + 16	Lloyds Bank 290 - 4
Sanger (J. E.) 40 + 24	Negretti & Zambra 75 - 4
Simon Eng. 268 + 8	Wigfall (H.) 247 - 8
Stanley (A. G.) 188 + 2	Ultramar 212 - 8
Startrite 180 + 6	Ashton Mining 73 - 4
Utd. Scientific 288 + 10	Consine Riochto 283 - 7
Walker (J.) 125 + 6	Northern Mining 68 - 4

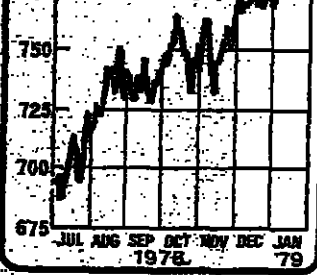
BUSINESS

Equities down 2.2; Copper price up

● EQUITY leaders were dull as the market reacted to the lorry drivers' strike and the threat of a national rail strike.

● GILTS also started firmly, helped by news that the Government broker had run out of supplies of the short-medium Exchequer 1985 tap.

● COPPER prices rose in London on reports that Zambian output would be cut by 15 per cent this year.



● GOLD fell 91 to \$222 in London in generally quiet trading.

● STERLING was 67 points down at \$2.6190 following a sudden rise by the dollar towards the London close.

● WALL STREET near the close was 5.54 up at 833.63.

● MONEY supply remained well under control last month, the underlying level of bank lending increasing modestly in line with the previous month.

● VOLVO shareholders were advised by the board of Sweden's Shareholders' Association to reject the sale of 40 per cent of the car and truck manufacturer to Norway.

● DISPUTE between Government and Air Canada likely over moves to force the airline to operate all passenger services from Gatwick instead of Heathrow by the early 1980s.

● UNCUT diamond sales worldwide last year on behalf of De Beers and other producers advanced by 23 per cent to a record \$2,220m (\$2,550m).

● ALL COMPONENTS is negotiating with a British company to acquire a foreign company in its search for partners for a £247m Government-backed aluminium refinery project in Leeds.

● RFD GROUP pre-tax profits slumped from £1.48m to £1.05m for the half-year to September 30, 1978, although turnover was higher at £9.72m (£9,39m).

● HASLEMERE ESTATES announced a £12.1m one-for-five rights issue.

● HALMA first-half profits before tax increased 26 per cent to £510,273 (£403,661).

Callaghan returns today to face Tory attack over industrial situation

Lorry strike may be made official after peace bid fails

BY NICK GARNETT and PHILIP RAWSTORNE

Road haulage services could face an almost complete shutdown by the end of the week after failure of talks yesterday between employers and union officials.

An official national strike of up to 130,000 private haulage lorry drivers will almost certainly be sanctioned by the Transport and General Workers' Union tomorrow.

Talks between the Road Haulage Association and officials of the union failed to produce any solutions to the dispute.

The association estimated that 50,000 drivers were on unofficial strike yesterday.

The Prime Minister returns from his Caribbean talks today to face a concerted Tory attack on the Government's handling of the industrial situation.

A national haulage strike would virtually strangle all supply lines to industry and farms, already in severe difficulties from the unofficial action.

Mr. Callaghan, who has been kept closely informed of developments in the transport disputes and the looming threat from public service unions, is expected to plunge immediately into a series of consultations with Ministers.

The Cabinet is to review the situation tomorrow after a further meeting yesterday of its general committee under Mr. Merlyn Rees, the Home Secretary.

Economic Ministers intend to pursue attempts to avert a pay confrontation with public service unions at a meeting tomorrow with the TUC's Economic Committee.

A stark reminder of the public service threat came yesterday when the General and Municipal Workers' Union leadership, traditionally Labour's strongest union supporters, decided to put £2m into the strike fund.

Mr. David Bassett, the general secretary, said his public service members could not accept a situation where there was free collective bargaining without sanctions in the private sector but not in the public. There would be "public misery" if the Government did not act.

He and other TUC leaders are urgently looking for some pay comparability formula that would be acceptable to the Government and avert a collision.

Political pressures on the Government increased markedly as the Conservatives, with an eye to the General Election, unleashed a broadside of criticism.

Continued on Back Page

Lay-offs could 'Little progress' in rail talks

BY COLLEEN TOOMEY

WELL OVER a million workers could be laid off by the end of next week if the lorry drivers' strike becomes official.

The Confederation of British Industry said yesterday that 750,000 employees could be sent home by then in the West Midlands. In Ulster the CBI said it knew of at least 10,000 lay-offs already and the number is growing.

As imports pile up at Britain's ports, many companies face a severe shortage of raw materials. Some are already using reserve supplies which will last for another two to 10 days.

One-third of all port traffic in Britain, particularly general cargo and manufactured goods, is carried by lorry.

Few regions have escaped the effects of picketing by lorry drivers although strike action is still confined to key areas and rather patchy.

The North-west has been particularly hard hit and the petrol tanker drivers' strike all but dried up fuel supplies in the Manchester and Merseyside areas.

In the North-east, engineering companies are reporting reasonable raw material stocks but finished products destined for

experts are being turned away at the docks.

All UK tinplate production is likely to dry up by the weekend unless the strike is settled.

British Steel Corporation's three tinplate works in South Wales have cut production as picketing intensified.

Imperial Chemicals Industries is now seriously considering the position of some of its 90,000 UK employees in the likelihood of the strike continuing beyond the weekend.

The soft drinks industry is expected to close after today because of a shortage of sugar, carbon dioxide and bottles. Supplies of sugar to the British food industry have virtually dried up.

Fuel supply shortages were still taking their toll on transport and schools yesterday. In some of the worst-hit areas more than one-third of schools were shut yesterday because of the shortage of heating oil.

In Strathclyde, 480 schools and colleges were closed, affecting more than 200,000 children.

Bus companies throughout the country continued to operate reduced services. National Bus said that a number of its subsidiary companies were limiting services to conserve fuel supplies.

Fall effects Page 8

EEC may oppose use of shipbuilding aid fund

BY GILES MERRITT IN BRUSSELS AND LYNTON MCLAIN IN LONDON

THE GOVERNMENT has been warned by the EEC Commission that it is now unlikely to receive approval to use the £85m intervention fund the Government set up to subsidise new shipbuilding orders.

Without the fund, Britain's shipbuilding industry may be forced to find other ways of financing the losses on ships being built, with unsubsidised costs for each ship 30 per cent higher than those in competitive foreign yards.

The Commission's competition directorate agreed to the use of the fund in July, but only until December 31. A further formal application to use the fund to subsidise ship orders is now necessary, but the Commission

made it clear that it will not allow any further aid for the UK shipbuilding industry until the UK Government submits its plans for restructuring the industry.

The bulk of the UK shipbuilding industry is now accounted for by British Shipbuilders, the nationalised corporation.

British Shipbuilders' corporate plan for restructuring the industry was sent to the Industry Department at the end of December. Mr. Eric Varley, Industry Secretary, has started to consider the plan as a matter of urgency and meetings with Britain's shipbuilding unions and British Shipbuilders may take place later this month to discuss the plan.

The Industry Department did not know when the final plans for restructuring the industry

would be ready to go to Brussels, but the department said the EEC was considering an extension of two or three months to the time for which the £85m fund is available.

In the meantime, the EEC would still consider applications to use the fund, the Department said.

It had been expected that the EEC Commission would give the go-ahead to British Shipbuilders contracts worth over £50m for five vessels. But the failure of the British Government to provide the details of its restructuring plans had meant that the necessary specific permissions had been withheld.

Work on one of the orders, for two refrigerated container vessels worth a total of £36m

Continued on Back Page

Amex bids for McGraw-Hill

BY STEWART FLEMING IN NEW YORK

AMERICAN EXPRESS, the largest U.S. financial conglomerate, yesterday launched a surprise \$30m cash takeover bid for McGraw-Hill, one of the world's leading publishing houses whose interests include Business Week magazine and the Standard and Poor's debt rating and financial information concern.

The move seems destined to stir up intense controversy in Washington where both the U.S. Justice Department and Senator Edward Kennedy are preparing new anti-trust legislation which would be designed to block precisely this sort of large acquisition.

Share analysts, however, suggest that the proposal would not fall foul of existing legislation.

attitude to anti-trust law reform, a presidential commission is completing a study of the issues. The White House is thought to be examining its position.

The American Express move came on Monday night when its top executive officers took a letter outlining the terms of the proposal to McGraw-Hill's headquarters in New York.

Yesterday morning as the news was released to the public and McGraw-Hill's shares did not open for trading, the company said it was preparing a statement on the bid. The deal does not appear to have been pre-arranged by the companies.

The American Express offer is \$34 a share in cash, which compares with a closing price for McGraw-Hill on Monday of \$24. The offer is worth

approximately 13.9 times the \$51.4m, or \$2.08 a share, earnings reported by the publishing concern last year.

Concern about the economic implications of the current merger wave sweeping the U.S. as well as anxiety about the social and political impact of giant corporations lie behind the radical proposals for reforming anti-trust law being drawn up in Washington.

Earlier in the month the Justice Department announced that it was examining legislation which would ban mergers of companies with combined assets or sales of \$30m or more.

American Express is being advised by Blyth Eastman Dillon and Lazard.

Diversification is the Key Page 27

Animal feed mill supplies blocked

BY CHRISTOPHER PARKES

DOCK GATE pickets are preventing essential supplies of vegetable proteins from reaching animal feed mills, farmers and the Ministry of Agriculture yesterday.

As blocked shipments of soyabean, fishmeal and other feeds pile up on the docks more manufacturers are being forced to "dilute" their products.

Many rations now being compounded in their mills are calculated merely to keep animals alive rather than to fatten them up to slaughter weights.

Warnings of imminent mass slaughtering or starvation for thousands of pigs and chickens do not, however, seem to be backed up by the evidence, available.

The Ministry of Agriculture "recognised" the feed trade's

problem, Mr. Sydney Robinson, vice-president of the UK Agricultural Supply Trade Association, said.

Although the mills could get supplies of grain from farmers driving their own vehicles, essential proteins, which make up 40 per cent of pig and poultry feeds, were not passing through the picket lines at the docks.

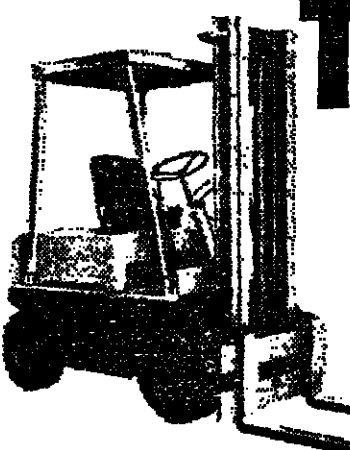
Supplies of feed varied around the country, Mr. Robinson said, but he estimated that reserves at the mills, expressed as a national figure, might last for seven days if compounders reduced protein contents to basic survival level.

Some areas were already in difficulties. Mr. Tom Boden of the National Farmers' Union said he expected some farmers to be out of feed by the end of the week.

£ in New York

	Jan. 8	Previous
Spot	\$8.0288-0.0280	\$8.0215-0.0226
1 month	0.85-0.15	0.85-0.15
3 months	0.70-0.52	0.67-0.52
6 months	2.50-2.30	2.20-2.10

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For latest Share Index phone 01-246 8026

EUROPEAN NEWS

Ankara awaits West's decision on aid

By Metin Munir in Ankara. MR. WARREN CHRISTOPHER, U.S. Under-Secretary of State, arrives here today to inform Ankara of the Western leaders' decision at the Guadeloupe summit about helping Turkey out of its worst economic crisis...

Swedish budget aims at export promotion

BY WILLIAM DULLFORCE IN STOCKHOLM. THE BUDGET and Economy Minister, Mr. Ingemar Mundebo, yesterday presented a budget for 1979/80 with a record deficit of SKr 45bn on total expenditures of SKr 172bn (€19.5bn). The Budget is designed to reinforce Sweden's economic recovery by promoting the growth of exports and investments...



Spanish judge murdered

BY ROBERT GRAHAM IN MADRID. A SENIOR Spanish judge, Sr. Miguel Cruz Cuenca, was yesterday shot dead outside his Madrid home by three gunmen. Sr. Cuenca's assassination brought the number of politically motivated killings since the start of the New Year nine days ago...

Andreotti finalises recovery plan

BY RUPERT CORNWELL IN ROME. It is already clear that the most sensitive parts of the plan are those aimed at tackling the deep-rooted difficulties of the south and at holding down the growth of labour costs by wage restraint at direct odds with current union wage contract claims...

Finnish wage plan agreed

BY LANCE KEYWORTH IN HELSINKI. A NEW incomes policy agreement at central level was finally concluded yesterday after months of negotiation between the Finnish Government and the central federations of employers and unions...

Dutch union pay demand

HOLLAND'S largest trade union federation, the FNV, will demand an extra Fl 20 (€10) a month for each employee in the forthcoming 1979 wage negotiations on top of full price compensation. This is necessary to maintain the real disposable income of the average Dutch worker currently earning Fl 30,000 (€15,000) a year...

EEC farm price row threatens

BY MARGARET VAN HATTEM IN BRUSSELS. THE DISPUTE between France and Germany over farm subsidies, which has already delayed introduction of the European Monetary System (EMS), threatens to undermine the EEC Commission's plans for a freeze on farm support prices for 1979-80...

Hungarian optimism on growth

By David Marsh in Basle. STEEP PRICE rises introduced in Hungary during the past week are intended to dampen consumption, but will not significantly restrain economic growth this year. Mr. Janos Fekete, deputy president of the Hungarian National Bank, said here yesterday...

Gulf denies tanker was unsafe

BY STEWART DALBY AT BANTRY BAY. GULF OIL has firmly denied that the French tanker Betegeuse which exploded early on Monday at its Bantry Bay terminal with the loss of 50 lives failed in any way to measure up to proper safety standards...

Poland pegs defence budget

By Anthony Robinson. IT NOW looks as though Poland has no plans to raise defence spending in 1979 at least, although Romania was the only country publicly to deny the need for an increase in national contributions to Warsaw Pact defence as called for at the recent Moscow summit...

Atlantic oil disaster averted

BY FAY GJESTER IN NORWAY. A 132,000 TON Norwegian super-tanker with an eight-meter-long crack in its deck has been nursed back to its port of loading at La Skhiria in Tunisia after a hair-raising five days at sea following discovery of the fault...

Swiss salaries expected to rise only 0.5%

BY BRIJ KHINDARIA IN BERNE. SWISS salary increases this year are unlikely to be above an average 0.5 per cent, according to Mr. Heinz Allenspach, director of the Swiss Employers' Association. He expects a slight increase in unemployment among Swiss nationals, raising the total at the year's end to more than 20,000...

Spring elections in Austria

THE AUSTRIAN Socialists, in power since April 1970, will today call for early general elections—likely to take place on May 6, five months ahead of the statutory term. Both the opposition parties and part of the Press have already been opening shots in the electoral campaign, accusing the Government of self-professed inability to take decisions...

Kreisky gambles to stay alive

BY PAUL LENDVAI IN VIENNA. The 70,000 hard core Socialist activists which may produce a turn of the tide in favour of the populist... Despite a series of political setbacks last year, Dr. Bruno Kreisky, the 68-year-old leader of Austria's Socialist Party, is confident that he will disprove Press reports about his fading popularity and be returned to power in a general election...



Chancellor Kreisky, top, and opposition leader Dr. Taus: their popularity under test.

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Switzerland imports foreign workers, mainly Italians, under a system of short-term work permits and so far has handled unemployment problems by cancelling or not renewing permits. This has kept unemployment among Swiss citizens to low levels, although most branches of Swiss industry have experienced recession in recent years...

Oil workers put pressure on Carter

DENVER — Oil workers went on strike at one refinery on Monday and honoured a strike at a second one, but their union put off any major walkout until learning the Carter Administration's reaction to a possible 8.3 per cent rise.

The contract dispute, in which offers from 21 companies were rejected on Monday, is the first major union test of President Jimmy Carter's wage-price guidelines.

Contracts covering 60,000 members of the Denver-based Oil, Chemical and Atomic Workers International Union expired at midnight on Sunday. But an offer from Amoco now being considered by the union has delayed any union-wide strike.

Union president Mr. A. F. Cropsion said he wanted to learn whether the Amoco offer, which calls for an 8.3 per cent rise in the first year, would be acceptable to the Administration under the Carter guidelines.

Although workers were told by the union to report to work on Monday, a Gulf Oil refinery in Port Arthur, Texas, with about 3,000 union workers, was disrupted by pickets. Oil workers were also honouring a picket line set up by other unions at an Arco plant in Port Arthur. The Arco plant has 469 union workers.

The Amoco proposal is a two-year offer reportedly calling for a 7.3 cents-per-hour increase in the first year and a wage reopener clause the second year.

Troops patrol in Lima

LIMA—Troops were out in force in the Peruvian capital yesterday, the first day of three-day general strike called by several unions to protest against Government economic policies. The authorities have declared the stoppage illegal and warned that army and police patrols will shoot on sight if there is rioting.

China's choice for U.S. envoy

PEKING — Mr. Deng Xiaoping (Teng Hsiao-Ping) the Chinese Vice Premier and U.S. senators yesterday who he favoured to be the first American Ambassador to China.

In a light-hearted exchange he said Mr. Lee Woodcock, chief of the U.S. liaison office accompanying four members of an armed services sub-committee, would receive his vote.

Brown tosses his hat in Presidential ring

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

GOVERNOR Gerry Brown of California has clearly staked out the grounds on which he might run for the American Presidency by publicly calling for a constitutional amendment requiring the Federal Government to balance the budget.

In an inaugural address on Monday night at the start of his second term as Governor of the nation's biggest state, Mr. Brown said that the balanced budget initiative was unprecedented "but so is the political paralysis that prevents necessary action."

Backing this up with practical action at the state level, he urged the state legislature to pass an additional \$1bn tax cut and promised to reduce the state employment force by a further 5,000 people.

The political attitudes of Jerry Brown appear to have come full circle. Less than a year ago, he was strenuously arguing against adoption of the controversial Proposition 13 tax cutting initiative, which reduced

state taxes by \$7bn. When it was overwhelmingly passed, he became the most ardent advocate of fiscal austerity and won re-election easily. He clearly now intends to carry this message to the national scene.

In his inaugural address, he took aim at the Federal Government and, by implication, at the man who stands in the path of his own Presidential ambitions, Jimmy Carter. He accused the Federal Government of "stimulating inflation."

"This perverse Government money machine has created a fiscal dividend for local, state and federal government and allowed all three to expand faster than inflation and faster than real economic growth. These unauthorised dividends are now being cancelled. The tax revolt is being heard," he said.

Coincidentally, a new organisation was created on Monday, bearing the name Californians for Brown. Its ostensible purpose is to raise money to pay off last year's campaign loans but it could just as easily be converted into a vehicle to help



Governor Jerry Brown

launch a Presidential candidate. As elliptical as ever, Mr. Brown said nothing directly about his ambitions in his inaugural address, though the assumption of many Californians is that he will run next year.

Most national public opinion polls have shown him miles behind both President Carter and Senator Kennedy in the affections of the Democratic Party, though one recent survey by the Los Angeles Times suggested he could beat the President.

In staking out so conservative a fiscal position, Mr. Brown seems intent on trying to preempt Mr. Carter's own austere economic policies, while driving the more liberal philosophies of Senator Kennedy even further into left field, to use the baseball analogy.

Many of his critics are bound to condemn him for cynical opportunism in jumping on a bandwagon which he so recently

opposed, but Mr. Brown has always possessed an acute eye for the main chance and the political nous to follow it up.

From a practical standpoint, a constitutional amendment may be enacted in two ways: Congress may vote in favour of it leaving eventual ratification up to the votes of three quarters of the state legislatures; or two thirds of the states must pass resolutions calling for a constitutional convention to draw up an amendment, which is then referred back to the states for approval.

The latter route appears the most probable in the budget balancing case: so far 22 states have passed assorted resolutions in favour of the proposition (they would need to be harmonised to conform with legal requirements) and others, reflecting the current hegemony of conservative economic philosophies, have expressed interest.

The process, however, could be time-consuming.

U.S. body sees drop in spending

By Our New York Staff

CONSUMER confidence in the U.S. has slumped to the levels recorded before the 1974 recession, and clearly indicates a downturn in the economy this year, according to the latest survey by the University of Michigan Research Centre.

The centre's latest report, after a survey of 1,460 people in November, will strengthen expectations of a drop in consumer spending this year. Both the Conference Board, a business research organisation, and Citibank have come to similar conclusions from recent surveys of consumer sentiment, which changed markedly in the second half of last year.

But the Michigan centre argues that "the decline in consumer attitudes and expectations has been less rapid and less severe" than was recorded before the 1974 recession, although the index reading from the November survey is much the same as it was then. The centre suggests that the 1979 recession might resemble more "the period of declining consumer confidence in the late 1960s."

Michigan's index of consumer sentiment fell from 80, reported in its survey in June last year, to 75 in November. This reading was "lower than the trough reading of 73.4 recorded in 1970, and is comparable to the level recorded just prior to the last recession."

Tight security for Chile bomb trial

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

ONE OF the most closely watched international terrorism trials in some time began here yesterday, under conditions of extreme security.

In the dock were three well-known anti-Castro Cuban exiles accused of conspiracy to murder Sr. Orlando Letelier, a leading expatriate opponent of the present Chilean Government, who was killed, with his assistant, Mrs. Ronnie Moffit, when the car in which they were driving was blown up by a bomb in the centre of Washington in September, 1976.

Eight people in all have been indicted in connection with the

murder, including the former head of DINA, the Chilean secret police, two other DINA agents, and five Cuban exiles. The three Chileans are awaiting a ruling from the Chilean Supreme Court on whether they may be extradited to the U.S. to stand trial, while two of the Cubans have not been apprehended.

The trial is important for two main reasons: the case led to an international outcry and has caused even greater strains in relations between Chile and the U.S. It may also shed light on international terrorism in general.

Both the judge and the prosecuting lawyer have recently received death threats, and the most stringent security measures are being applied.

Integral to the prosecution's case is the testimony of a U.S.-born former DINA agent, Mr. Michael Townley. Mr. Townley lived in Chile for 20 years, is an acknowledged explosives expert, and has admitted belonging to an extreme right-wing group dedicated to eliminating opposition to the present Chilean regime.

Mr. Townley was named in the indictment as the man who placed the bomb in Sr. Letelier's car but, last August, when he had been extradited to the U.S.

after intense U.S. Government pressure, he agreed to cooperate with the prosecution in exchange for the charges against him being reduced.

The indictments, in good measure based on Mr. Townley's evidence, allege that Gen. Manuel Contreras, the former head of DINA and a close associate of Gen. Pinochet, the Chilean head of state, ordered Sr. Letelier's murder and got his agents, working with U.S.-based Cuban exiles, to carry it out.

Sr. Letelier was Chilean Ambassador to Washington while the late President Allende headed the Chilean Government.

INDUSTRIAL RELATIONS IN BRAZIL

Unions emerge from years of repression

BY A CORRESPONDENT IN SAO PAULO

BRAZIL'S new government will have to give serious attention to the unions, who, by striking in 1978 for the first time in 10 years, demonstrated the need for their voice to be heard.

As one labour leader, Sr. Luis Ignacio Da Silva put it: "We want to get back what was taken away from us at the time of the so-called Brazilian miracle. I admit miracles can happen because I believe in God, but I can't let them happen if they rob those who already have nothing!"

Strike action last year by skilled metalworkers, doctors and bank employees involved

hundreds of thousands of workers.

The centre of much of last year's activity inevitably was greater Sao Paulo, an area containing Sao Paulo and its industrial suburbs of Osasco, Guarulhos and the "ABCD" (the big industrial zone containing the towns of Santo Amaro, Sao Bernardo, Sao Caetano and Diadema). This area has a population of some 13m and is the most important industrial centre in South America.

The 1964 military coup marked the beginning of a long period of repression for the unions. Many leaders were expelled and replacements named

by the Government.

Strikes were made all but illegal. Unions were reduced to mere health and welfare organisations, excluded from any part in economic decision-making. There was no free collective bargaining. Instead, there was an annual readjustment of wages by the Government, calculated according to a formula that has never been published. Until recently, the net result for most workers has been a gradual reduction in the purchasing power of their wages.

May last year brought large-scale mobilisations and the distribution of "manifestos" stating union demands for immediate wage increases and for a reform of the legal framework covering union activities: freedom to demonstrate and organise, freedom to strike and

the formation of "factory committees" were among the demands.

The first wave of strikes came on May 12, starting with the metalworkers at Saab Scania in Sao Bernardo and spreading from factory to factory outside the union control until the entire ABCD and parts of Sao Paulo were paralysed. The demands were for a 20 per cent wage increase, and the employers eventually conceded between 10 and 15 per cent.

The second wave came in late September and early October. A total of 250,000 workers was involved, of whom 50,000 were union members. But the outcome was very different.

Unlike the unions in the ABCD, which are controlled by young labour leaders not linked to the traditional union bureau-

Supreme Court to rule on state takeover laws

BY JOHN WYLES IN NEW YORK

THE SUPREME COURT is to consider a case which could determine the legality of the many U.S. state takeover laws, which have markedly changed the face of merger and acquisition activity in the country over the past few years.

At issue is whether states have the constitutional right to impose tighter regulations on corporate takeovers than are already provided by the 1958 Williams Act amendments to the Federal Securities and Exchange Act.

Some 33 states have passed laws which, in various forms, require advance notification which, it has been alleged, gives undue advantage to a company bent on resisting a takeover.

The case stems from a challenge to the takeover laws of the state of Idaho launched by Great Western United, a company controlled by Texan oil millionaires Nelson Bunker Hunt and William Herbert Hunt.

They successfully brought an action in a Texas court, subsequently upheld last August by an appeal court in New Orleans, which resulted in a declaration that the Idaho takeover law was unconstitutional and could not, therefore, delay a Great Western tender offer for 2m shares of Sunshine Mining, a silver mining operation in Idaho.

Idaho, in its appeal, is first challenging the jurisdiction of the Texas court to rule on its takeover law, and secondly the

substance of the ruling that the Williams Act pre-empted the state law. In effect, this called into question the various statutes around the country which require advance notification of tender offers, and which enable target companies to secure public hearings in front of state authorities before a tender offer is accepted. By contrast, the Williams Act enables a bidder, once it has filed the appropriate papers with the Securities and Exchange Commission, to make an immediate tender offer to shareholders with a 10-day expiry period. Because many managements have found it difficult to rally shareholders, support against such offers within such a short time, it has been argued that the federal law has helped too many "Saturday night specials". These are quick takeovers which have sometimes resulted in assets being acquired cheaply.

Mr. Ian Sinclair, chairman of Canadian Pacific Investments (CPI), has said he hopes a decision will be made by the end of this week, or the beginning of next, on whether to proceed with a proposed takeover bid for Macmillan Bloedel.

Mr. Sinclair is to go to Vancouver to test interested parties about reaction to the offer.

At the weekend CPI, 82 per cent owned by Canadian Pacific, said Macmillan Bloedel shareholders will be offered 22.5 per share, or the option of trading each share for a convertible preferred share in CPI.

SOCIETE INTERNATIONALE PIRELLI S.A.

BASEL, SWITZERLAND

The Annual General Meeting of SOCIETE INTERNATIONALE PIRELLI S.A. was held in Basel on 30th October, 1978 and the following is a summary of the report presented by the Board of Directors to the shareholders and Holdings.

The profits achieved can be held to be satisfactory, bearing in mind that the corresponding figure for the financial year ended 30.6.78 was Sw.Frs. 30.7m and that for 1977 Sw.Frs. 32.3m. The result may be judged in the light of the substantial appreciation of the Swiss franc, particularly over the past twelve months. Dividends from the associated and holding companies amounted to Sw.Frs. 45.3m compared with Sw.Frs. 35.6m for the 1976/77 financial year.

An agreement was concluded during the year with the General Cable Corporation for the takeover of its operations in the United States. All operations are controlled by the Pirelli Cable Corporation which is wholly owned by a newly-established finance company under the name of Pirelli Enterprises Corporation. An agreement was also signed with the Swedish Group L. M. Ericsson Telephone for the takeover of its Australian subsidiary, Conqueror Cable Ltd., with Pirelli Cables Australia Ltd. and a new company was formed under the name of Pirelli-Ericsson Cables Ltd. Thus the position of the Company in Australia is strengthened, with great future potential. In the United Kingdom, Pirelli General Cable Works Ltd. achieved favourable results in spite of unfavourable economic conditions, and was able to increase the dividend for 1977 to 12 per cent (compared with 4.8 per cent the previous year).

All in all, the associated companies displayed considerable dynamism, showing an increase in turnover of 11 per cent compared with the previous year. Sw.Frs. 2,683m the previous year.

The turnover showed a reduction of 16 per cent although the total volume of sales in the first half of 1978 was above the level for the same period last year. This must be linked with the substantial appreciation of the Swiss franc in relation to nearly all other currencies, which adversely affected the results of the company and the other divisions.

The first half of 1978. However, all the associated companies made a profit with the exception of the Canadian and Spanish companies.

The new acquisition in the United States can expect a period of adjustment before reaching a satisfactory level of profitability. Thus, the prospects for the company's financial year ending 30th June 1979 are less favourable than in previous years, but with the Group's ability to adapt itself to diverse and difficult economic situations, confidence in the future is fully justified.

Profit and Dividend. The total amount available for distribution for the year ended 30.6.78 amounted to Sw.Frs. 35,525,695, which was made up of the net profit of Sw.Frs. 31,245,377 together with the balance of Sw.Frs. 4,280,318 carried forward from the previous year. The dividend for Sw.Frs. 15 per share will be distributed. Sw.Frs. 533,835 will be allocated for Directors' fees. Sw.Frs. 8m will be transferred to the Extraordinary Reserve.

The balance of Sw.Frs. 4,438,000 will be carried forward.

The report, the accounts and the proposals set forward by the Board were adopted.

Alaska oil helps cut import bill by 6%

By David Lascelles in New York

THE U.S. managed to cut its oil imports—a major reason for the dollar's weakness—by about 6 per cent last year, thanks to energy conservation measures and the increased flow of Alaskan oil.

According to the American Petroleum Institute, the trade group which compiles statistics on oil movements, imports of both crude and petroleum products averaged just over 10m barrels a day in the week ending December 29. This brings the all-year average to around 8.2m barrels a day, 6 per cent less than the record 8.7m barrels imported last year.

These figures, which are only preliminary, are roughly in line with recent forecasts, though the reduction is so what lower than earlier estimates which ranged up to 9 per cent. The main reason for the drop was the greatly increased flow of Alaskan crude oil, which now averages 1.2m barrels a day.

There were some savings from use of smaller cars and better home insulation, though these were partly offset by an unusually high level of motorizing during the mild autumn.

The 10m barrels a day imported in the last week of December was sharply higher than the 8.6m average for the rest of the month and was due to stockpiling in anticipation of the OPEC 5 per cent price rise which took effect on January 1.

This spurt could add several hundred million dollars to the U.S.'s December import bill, though it will be partly offset by lower imports in January.

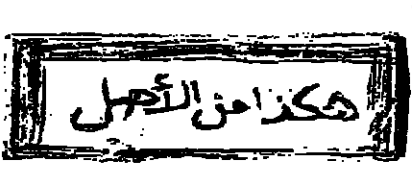
Shipments showed a rising trend in the last quarter of last year, from 8.2m barrels a day in September to 8.4m in October and 8.9m in December. With domestic production unlikely to increase, any rise in demand will have to be met by imports.

Economists have produced widely differing estimates of the impact of the OPEC price rise. These range from an extra \$20n to as much as \$15bn on last year's oil bill of \$44bn.

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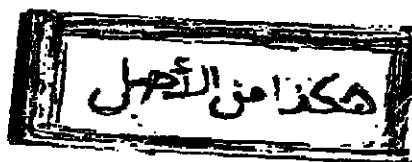
BASE LENDING RATES Table with columns for bank names and interest rates. Includes A.B.N. Bank, Allied Irish Banks, Amro Bank, American Express Bk., A.P. Bank Ltd., Henry Ansbacher, Associates Corp., Banco de Bilbao, Bank of Credit & Commerce, Bank of Cyprus, Bank of N.S.W., Banque Belge, Banque du Rhone, Banque de Tunisie S.A., Barclays Bank, Burnetts Christie Ltd., Bremer Holdings Ltd., Brit. Bank of Ind. East, Brown Shipley, Canada Perm. Trust, Cayer Ltd., Cedar Holdings, Charterhouse Japhet, Citibank, C. E. Coates, Consolidated Credits, Co-operative Bank, Corinthian Securities, Credit Lyonnais, Duncan Lawrie, The Cyprus Popular Bk., Eagle Trust, English Transact, First Nat. Fin. Corp., First Nat. Secs. Ltd., Anthony Gibbs, Greyhound Guaranty, Grindlays Bank, Guinness Mahon, Hambro Bank, Hill Samuels, C. Hoare & Co., Julian S. Hodge, Hongkong & Shanghai, Industrial Bk. of Scot., Keyser Ullmann, Knowles & Co. Ltd., Lloyds Bank, London Mercantile, Edward Manson & Co., Midland Bank, Samuel Montagu, Morgan Grenfell, National Westminster, Norwich General Trust, P. S. Refson & Co., Rowminster, Royal Bk. Canada, Schlesinger Limited, E. S. Schwab, Security Trust Co. Ltd., Shenley Trust, Standard Chartered, Trade Dev. Bank, Trustee Savings Bank, Twentieth Century Bk., United Bank of Kuwait, Whiteaway Laidlaw, Williams & Glyn's, Yorkshire Bank, Members of the Accepting Houses Committee, 7-day deposits 10%, 1-month deposits 10%, 1-7 day deposits on sums of £10,000 and under 10% up to £25,000, 8% and over £25,000 10%, Call deposits over £1,000 10%, Demand deposits 10%.

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U.S. predicts mid-February conclusion of GATT talks

BY BRIJ KHINDARIA IN GENEVA

MR ALONZO MACDONALD, chief U.S. trade negotiator in Geneva, said yesterday that he was confident that the long drawn-out GATT negotiations can be concluded in the coming weeks.

Special teams of officials have arrived here from Washington to strengthen the U.S. delegation to the trade talks so that all unresolved issues can be handled simultaneously.

Removal of tariff barriers to trade remains a major point of difference between the EEC and Japan. The Japanese are now arguing that they cannot offer any further substantive concessions although the Community

sees their tariff-cutting offer as being far too small and selective. The U.S. has apparently reached satisfactory understandings with Japan, but has yet to settle its differences with Canada, which wants to ensure that the 1980s offer more opportunities to move out of the trading shadow of the U.S.

Rules concerning safeguards have also not been completed but the U.S. feels that this is more an issue between the Common Market and developing countries than among the developed nations themselves.

The Community wants to obtain the right to impose import curbs unilaterally against selected suppliers. This position

clearly violates existing rules of the General Agreement on Tariffs and Trade (GATT) and is strongly opposed by all developing countries.

U.S. sources expect the overall trade negotiations in Geneva to reach completion by mid-February, barring mishaps such as a Congress decision to waive imposition of import duties on almost \$500m worth of Common Market products to counter alleged export subsidies.

This law came into force on January 3 but the U.S. Administration has promised to suspend its application pending a Congress decision.

Japanese car sales up by 11.6%

By Charles Smith in Tokyo

JAPANESE DOMESTIC car registrations reached 4.68m units in 1978, the second highest level on record and an increase of 11.6 per cent over the 1977 level, the Japan Automobile Dealers Association announced yesterday.

The Association attributes the high level of car sales to the effect of stepped-up sales efforts by manufacturers coinciding with a natural peak in the replacement cycle of passenger cars. The all-time record year for domestic car sales in Japan was 1973 when sales reached 4.91m units. Car owners who bought new models in that year were changing their cars for the first time in 1978 industry analysts say.

The Automobile Dealers Association has not published figures for car exports (these are released by a separate organisation and will not be officially available until the end of January). According to preliminary estimates however, the industry shipped 4.58m units overseas in 1978. It was 5.7 per cent more than the 1977 figure.

Car exports were up sharply during the first two quarters of 1978 (by 27.8 per cent and 14.8 per cent respectively over the previous year's level).

E. German and Polish shipyards show record output despite slump

BY LESLIE COLTIT IN BERLIN

EAST GERMANY and Poland have achieved record high output in their shipyards despite the general recession in world shipbuilding.

The reasons, according to the two Comecon shipbuilders, are that they avoided tanker construction which was the most seriously hit by the recession and had up to half of their production of specialised vessels bought by the Soviet Union. They maintain that their ships are not sold at "dumping prices" nor are favourable credits able to be offered.

East Germany last year turned out 53 ships totalling 406,000 grt, the largest output ever, with half of the ships bound for the Soviet Union under long-term agreements. Among the other customers were India, France and Norway.

This year the East German shipbuilding industry will continue turning out the all-containers Murcur freighters and Atlantik super-trawlers which are factory fishing ships. The Warnow shipyard at Warnemunde is building a 163 metre semi-container vessel of the newly developed Monsun series while a 22,000 ton universal freighter is being produced at Wismar's Mathias Thesen yard.

Despite the impressive statistics knowledgeable East

Germany say the shipbuilding industry, which was erected from virtually nothing after the war to supply ships as reparations to the Soviet Union, has largely been a drain on the economy in past years.

A Polish economics writer, Mr. Kazimierz Zaleski, says Poland's shipbuilding industry climbed from fifteenth place in the world in 1976 to tenth place, a year later. Poland moved up from being the ninth largest exporter to become fifth, exporting 41 ships totalling 542,000 tons out of 67 ships produced totalling 603,000 tons.

Poland is said to have attained first place internationally in construction of chemical ships

with 36.7 per cent of world production, third place in LPG liquid gas tankers (20.3 per cent), fourth place in container ships (10.5 per cent) and fourth place in output of fishing vessels (11.5 per cent).

Last year orders for Polish ships are said to have remained at roughly the same level with the country taking five per cent of international orders or, eighth position internationally.

According to the Polish foreign trade organisation Centromor, no Polish ship was sold "under the world market price" and credit terms were not as favourable as those granted by Japanese and other competing shipyards in the west.

Sharp rise in Israeli exports

By David Lennon in Tel Aviv

ISRAEL'S industrial exports grew by 26 per cent last year to total \$3.25bn. In addition, Israel's exports of polished diamonds increased by almost one third in the past year to \$1.25bn.

The director general of the Ministry of Industry and Commerce, Mr. Amos Mar-Haim, said that during 1977 there was a continued growth in exports by the metal and chemical industries. At the same time there was a fall off in the percentage of food and textile exports in the annual total.

Soviet gas deal

WARSAW — Poland will receive a record 4.1bn cubic metres of Soviet natural gas this year, 60 per cent more than last year, the official Polish news agency said here.

The Soviet Union increased the supply from the 1973 figure of 2.5bn cubic metres as the first instalment to pay for Polish participation in the construction of the Soyuz gas pipeline from Orenburg in the Urals to Poland's border, the agency said.

The volume of gas will increase again next year to total 5.3bn cubic metres, an amount which will then be supplied annually for 20 years. The dollar value of the transactions was undisclosed.—AP

New OPEC ship policy urged

BY LESLIE MITCHELL IN KUWAIT

The Kuwaiti Oil Minister, Ali Khalifa al-Sabah, has suggested that the OPEC countries should by themselves decide how much of their crude oil and refined products must be transported in their own vessels rather than waiting for the problem of cargo preference to be solved through discussions with the importing countries.

He indicated that OPEC could make this percentage stick by linking the sale of crude and petroleum products to the use of the producing countries' tankers.

The Minister, who was the opening speaker at the Seatrade conference here on energy, trade and shipping, said, "I do not think that this problem can

be solved through dialogue because through dialogue very little has been given so far. "I think the only rational thing is for OPEC to agree collectively that a minimum percentage of its energy exports must be carried on its own tankers at rates that guarantee a reasonable return on investments."

The Minister said that if one of the OPEC countries did not have the tankers to carry the specified percentage and did not intend to invest in enough vessels, it should be entitled to a premium on its official oil price. The Arab tanker fleet is less than 1.5 per cent of world fleet tonnage and one third of that 1.5 per cent is laid up.

Kuwait now has two refined product carriers and intends to buy seven more. It has a crude oil tanker capacity of about 2.5m dwt, owns one LPG vessels and is awaiting delivery of four more of those vessels this year. It has tied the sale of its LPG to the use of its LPG tankers.

Algeria lets contracts for LP gas plant and pipeline

ALGIERS — Sonatrach, the Algerian national oil and gas concern has awarded a contract for the construction of a liquefied petroleum gas (LPG) treatment unit to a Japanese consortium formed by C. Toh and Ishikawajima-Harima heavy industries (IHI), the official Algerian Press service news agency reported yesterday.

The contract, signed last month is worth 2.2bn Algerian dinars (about \$350m) and all foreign and local costs in goods and services have been entirely covered by loans.

The unit will be built in Bethoua, near Arzew, the main natural gas terminal on the Mediterranean coast.

It will have four production lines and is expected to go on stream by the end of 1981. It will produce 2.2m tonnes of propane and 1.8m tonnes of butane a year.

The new agency also said Sonatrach is expected to ask soon for public tenders for a new LPG plant with 5m tonnes a year capacity.

Sonatrach has also contracted with the U.S. firm Bechtel for construction of a pipeline carrying up to 5m tonnes of LPG a year.

The 24-inch pipe, between the gas fields of Hassi Rmel and the methane plants of Arzew on the Mediterranean coast, will be 510 kilometres long.

The contract for about \$150m includes a loan for \$118m and the pipe should come into operation by the third quarter of 1981, with an initial capacity of 6m tonnes, to reach 9m when a second pumping station is completed.

Dutch chemicals industry sees better year ahead

BY CHARLES BATCHELOR IN AMSTERDAM

HOLLAND'S EXPORT oriented chemicals industry hopes for a slight improvement in world markets in the current year following a disappointing 1978.

Markets for bulk products are picking up a little, export levels are being maintained and "miserable price levels" appear to have passed their low point, chairman of the Chemical Industry Association (VNCI), Mr. Eppie Ter Horst, claims. Little change is expected in the picture for specialty products which have fared better than the bulk sector in recent years, Mr. Ter Horst added in his new year review.

Expected downward pressure on the guilder this year may help the industry's exports,

which account for 80 per cent of sales, although a weak guilder is, in the long run, disadvantageous for Holland, he said.

Investment is expected to fall by Fl 500m (\$250m) to Fl 1.4bn this year. This will largely be due to the fact that investments planned before the 1973 oil crisis have now been completed while over-capacity in the bulk sector and the low expectations for economic growth are also factors.

Rising raw material prices and the threat of even greater losses which this poses appear to have persuaded the chemicals industry that higher prices will not necessarily lead to a loss of market share, Mr. Ter Horst commented.

Jordan cement expansion

BY RAMI G. KHOURI IN AMMAN

THE CONTINUING high demand for Portland cement in Jordan has prompted the country's sole cement plant, operated by the Jordan Cement Factories Company, to embark on another \$50m expansion project.

It has also placed orders for 1.2m tons of imported cement to be delivered over the coming two years, in a deal worth \$72m.

An expansion project is already underway at the Fuhis cement plant where a fifth kiln is due to start producing

clinker, or unground cement, in July this year.

But a sixth kiln will now be required. Cement Company managing director Shawkat Shoul said here over the weekend, and consultants for this new expansion project will be chosen in the coming three months, from a shortlist of eight.

Tender documents for the sixth kiln, estimated to cost around \$30m will be ready in July, he said. This kiln would be commissioned as a turnkey project, he added.

BEI electricity testing for India

BY JOHN LLOYD

BRITISH ELECTRICITY International, the overseas consultancy arm of the British electricity supply industry, has won a contract from the Uttar Pradesh State Electricity Board of India for a series of tests on the recently constructed Ogra-Sultanpur line in Northern India.

BEI says that the tests will probably be the most comprehensive ever carried out on any 400 kV system. However no details on the value of the contract have been released. The test programme is planned for autumn 1980, and will

include line and transformer switching tests, fault throwing tests, radio interference and line impedance tests.

New testing equipment for the project will be assembled and proved in the UK under the supervision of the Central Electricity Research Laboratories.

The work will be carried out by staff from the research laboratory, and the Transmission Development and Construction Division of the Central Electricity Generating Board, supplemented by staff from the CEB regions.

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UK NEWS

Ford leads UK car market sales and imports in 1978

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD WAS the major importer of cars to the UK as well as the market leader last year. About 35.2 per cent of the 392,366 Ford cars registered last year were imported.

Ford's imports represented 8.87 per cent of the total market compared with the 6.39 per cent achieved by Datsun, its nearest rival, which had sales of 101,735.

In spite of the strike which devastated Ford's sales during October and November, the group accounted for 24.65 per cent of the UK registrations last year.

According to Society of Motor Manufacturers and Traders' statistics published today, total car sales reached 1,592m in 1978, representing a 20.3 per cent jump from the 1977 figure. Registrations were the highest since the peak of 1.682m in 1973, but were slightly below the SMMT's forecast of 1.6m made early in the year.

Distorted

However, the Ford dispute distorted the market very badly. In the nine months to September sales were 23 per cent higher than in the same period of 1977. In the final three months growth was only 7 per cent.

But the SMMT insists: "The fall off in sales in recent months does not represent the end of the boom in the car market." It forecasts sales will be around 1.55m in 1979.

Imports took 49.3 per cent of the 1978 market against 45.1 per cent the previous year. Boosted by "tied" imports by the major UK-based manufacturers, the Common Market countries accounted for most of the increase with their share of the total registrations moving up from 31.1 per cent to 32.8 per cent.

Vauxhall imported 26.8 per cent of the cars it sold last year, most of them Cavaliers from Belgium, while Chrysler's imports—including the Simca range—were a more modest 15.88 per cent of total sales.

The Japanese share of the UK market rose from 10.61 per cent to 10.96 per cent in spite of the understanding that it would not exceed the 1977 level.

The UK Department of Trade said this was "unfortunate" but there were special factors at work. Not the least of them was

	December		12 months to December	
	1978	% 1977	1978	% 1977
Ford*	10,469	16.99	15,862	27.40
BL*	16,276	26.41	13,838	23.91
Vauxhall*	5,492	9.24	5,392	9.32
Chrysler*	4,486	7.43	5,190	8.97
Total British	28,750	46.64	31,957	55.21
Datsun	2,733	4.44	1,227	2.12
Fiat	2,774	4.50	3,004	5.19
Renault	3,287	5.33	2,004	3.46
VW/Audi	2,825	4.58	1,989	3.44
†Total imports	32,870	53.34	25,926	44.79
‡Includes cars from companies' Continental associates* which are not (not) included in the total UK figures.			44,797	75.069
†Includes imports from all sources including cars from Continental associates of UK companies.			49,312	80.577
			45,338	75.71
			322,067	24.33
			120,600	9.11
			79,730	6.02
			722,947	54.62
			82,133	6.21
			66,015	4.99
			55,862	4.22
			45,958	3.47
			600,577	45.38

the Ford strike which had the effect of reducing the size of the market from the expected level.

The department apparently feels that the Japanese manufacturers have stuck to their word about shipments from Japan.

"We will be watching carefully in 1979 to see what the Japanese meant when they said in November that they would continue to be 'prudent' in their approach to exports to the UK," the department added.

Only Toyota among the Japanese failed to keep pace with the expansion of the UK market in 1978 and its sales rose 17.3 per cent. Datsun registrations jumped 23.8 per cent.

Among the smaller Japanese companies, Honda had a 35 per cent rise in sales compared with the previous year, Colt a 55.6 per cent increase.

Big rise forecast in four-wheel drives

BY OUR MOTOR INDUSTRY CORRESPONDENT

THE UK market for four-wheel-drive passenger vehicles should rise by more than a third to about 12,000 in 1979 because of aggressive marketing by importers.

This was forecast yesterday by Mr. Christopher Tennant, managing director of TKN Vehicle Services (UK), a subsidiary of Tozer Kemsley and Millbourn (Holdings), the international finance and trading group.

His company began marketing Japanese Daihatsu and the U.S. Jeep four-wheel-drive vehicles in the UK late in 1977 and last year captured 15 per cent of the market.

In 1979 the company expects to control 20 per cent of the increased market, pushing its turnover up from £10m to

£14.8m. Last year it made a marginal profit, although it budgeted for a small loss. Profits should be "good" this year.

The company expects to sell 1,800 Daihatsus, costing from £4,314 to £5,149 after price increases totalling 17 per cent last year, and 1,080 Jeeps which, after an average 6 per cent price increase this week, cost from £5,199 to £10,988.

Mr. Tennant said nobody knew how great demand for four-wheel-drive vehicles in Britain might be. The country had been short of them for some years because of shortages of locally produced Land-Rovers and Range Rovers.

In the peak year, 1973, about 17,000 four-wheel-drive vehicles were registered—all of them

market share fell from 9.11 per cent to 3.23 per cent. As with Ford, Vauxhall was short of cars because of industrial disputes early in the year.

Chrysler, newly-acquired by Peugeot-Citroen of France, outpaced all the UK-based groups by recording a 41 per cent sales increase.

Of the importers, only Fiat, Mazda, Mercedes and Skoda lost market share last year.

Britain's best-selling models in 1978, with sales in brackets, were: 1. Ford Cortina (139,204); 2. Ford Escort (114,415); 3. Morris Marina (92,638); 4. BL Mini (72,871); 5. Ford Fiesta (68,723); 6. Austin Allegro (61,553); 7. Vauxhall Cavalier (55,373); 8. Vauxhall Chevette (52,327); 9. Ford Granada (38,099); 10. Datsun Sunny (37,923).

This year demand will be stimulated by the marketing efforts for Daihatsus and Jeeps by the importers of the Subaru four-wheel-drive cars and estates from Japan and by the introduction of the Niva from the Soviet Union which goes on sale probably towards the end of February with a UK allocation of 800.

And further interest will be generated by the European launch of Mercedes' first four-wheel-drive vehicle this spring.

Mr. Tennant said that the £250m, two-year programme by BL to double output of Land-Rovers and Range Rovers would have little impact in the UK as he expected 90 per cent of the increased production to go for export.

Reserves of gas 'for 500m years'

By David Fishlock, Science Editor

A THEORY to account for the presence of natural gas in the earth, which suggests that the amounts remaining far exceed the quantities tapped so far, has been put forward by one of the world's leading cosmologists.

Professor Tommy Gold of Cornell University believes that the earth's crust is saturated with methane to a depth of perhaps 700 kilometres—enough to last the world at present consumption rates for 500m years.

Professor Gold said in a BBC radio interview last night that if his theory was correct, the places to search for large new natural gas deposits were among the oldest rocks in the world—such as the rift valleys of Africa and Australia.

He suggested that the Russians were already tapping one source in very old rock, in the region of Lake Baikal, an ancient sandstone deposit.

Phenomena

Professor Gold believes that his theory of the origin of natural gas—that when the earth was formed huge quantities were trapped, or "fossilised," with it—accounts for many natural phenomena.

It accounts, for example, for the presence of carbon dioxide in the atmosphere and the abundance of carbonate rocks in the earth's crust. It also accounts for the flames often associated with earthquakes, and for a phenomenon known as "mud volcanoes," caused he believes by eruptions of high-pressure methane.

One mud volcano, which caught fire in the USSR, was reported to have thrown a flame well over a mile into the sky.

Mr. John Maddox, director of the Nuffield Foundation, interviewing Professor Gold, suggested that the most impressive feature of the new theory was the way it accounted for such a diversity of natural events. He proposed, moreover, that it could also provide the explanation of the forces that make the continents drift or move slowly relative to one another across the face of the earth.



The watermill at Bovey Tracey, Devon, restored by IIT and used as a micro-electronics components factory.

When restoration work wasn't run of the mill

BY PAUL TAYLOR

INTERNATIONAL Telephone and Telegraph, the multinational communications group, yesterday won a Business and Industry Panel for the Environment 1978 Premier Award for its restoration of a Devon watermill (above) which is now used as a micro-electronics components factory.

The watermill in the village of Bovey Tracey is now used as a satellite factory for the company's European Components Group plant at Paignton and employs 121 people producing mica capacitors. Restoration work has included the rebuilding of the mill's waterwheel.

The IIT factory was one of four projects reflecting industry's concern for the environment which won the Premier Awards presented by the Duke of Gloucester in London yesterday.

Sir Peter Parker, chairman of British Rail and president of the panel which was set up in 1975, said the awards showed

industry's growing awareness of its environmental responsibilities.

This year, about 80 projects were submitted to the panel which uses criteria such as planning and environmental improvements, the effects of improvements on companies' employees and the local community and the way in which problems of saving energy and resources are resolved to decide upon the annual winners.

The other three projects winning the Premier Award were the South Nottinghamshire Coal Board's colliery tip reclamation project in conjunction with a local farmer at Bentinck Colliery—where barley is now being grown on a working pithead, Vickers for its new E5m Michell Bearings factory in Newcastle, and a project by Simons Design Services which transformed a derelict medieval house in Lincoln into a public house.

Plastics processors make poor progress

By Sue Cameron

THE UK plastics processing industry is making poor progress towards the targets it has set itself under the Government's industrial strategy, according to a report from the plastics process sector working party.

The report, prepared for next month's meeting of the National Economic Development Council, shows that UK imports of plastics goods have risen from 9 per cent in 1975 to 10.5 per cent in the first half of last year. Yet the sector working party's aim is to halve imports of cheap plastics goods by 1980.

The industry is also aiming to double plastics goods exports by 1980 but the report shows that the UK's share of world exports rose by only 1.2 per cent between 1975 and 1977.

The report says the sector working party is "convinced" that the "conservative credibility" of these highly ambitious targets has been questioned in the industry. But it adds that "any announcement of the death of their lingering credibility would, as yet, be premature."

The report says motor vehicles are a definite area of opportunity for UK plastics processors, but it criticises the Health and Safety Executive for being reluctant to amend regulations to allow plastic petrol tanks.

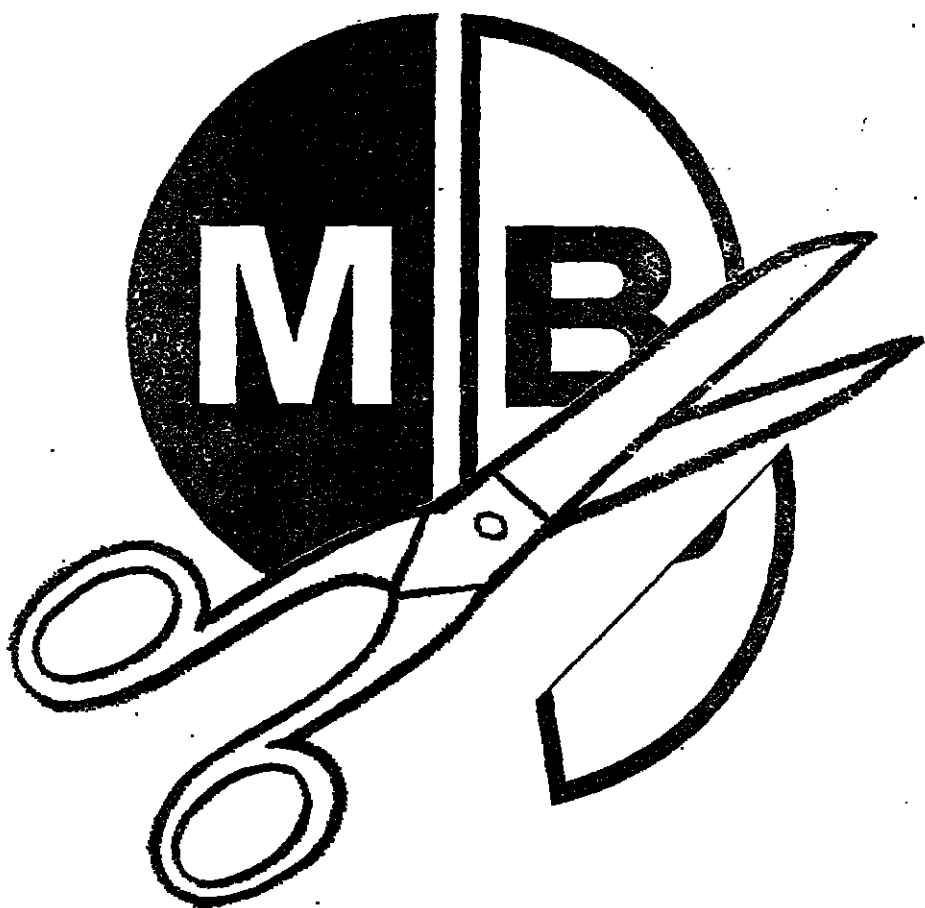
New National Savings issue

THE 18th issue of National Savings Certificates is to go on sale on January 29. It replaces the 14th issue, sales of which will be suspended on January 27.

The 18th issue will provide a return of 8.45 per cent free of tax to investors who hold them for the full five-year term. Investors can buy up to £1,500 in units of £10.

Royal warrant for Fisons

FISONS Agrochemical Division has received a royal warrant as tradesman to the Queen.



Cutting down on the use of natural resources; it's Metal Box's business.

Packaging preserves food and beverages—the biggest natural resources of all.

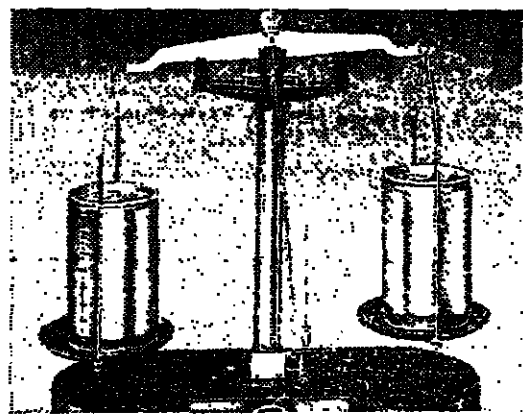
But there are often ways to make packaging itself more efficient; and when there are, you can be sure Metal Box are working on them.

Witness the two-piece can for beverages, made by drawing metal to form the main body.

The result; a thinner, lighter can that only needs one seam instead of three.

And a material saving that can be as much as 20%.

Resourceful is hardly the word for it.



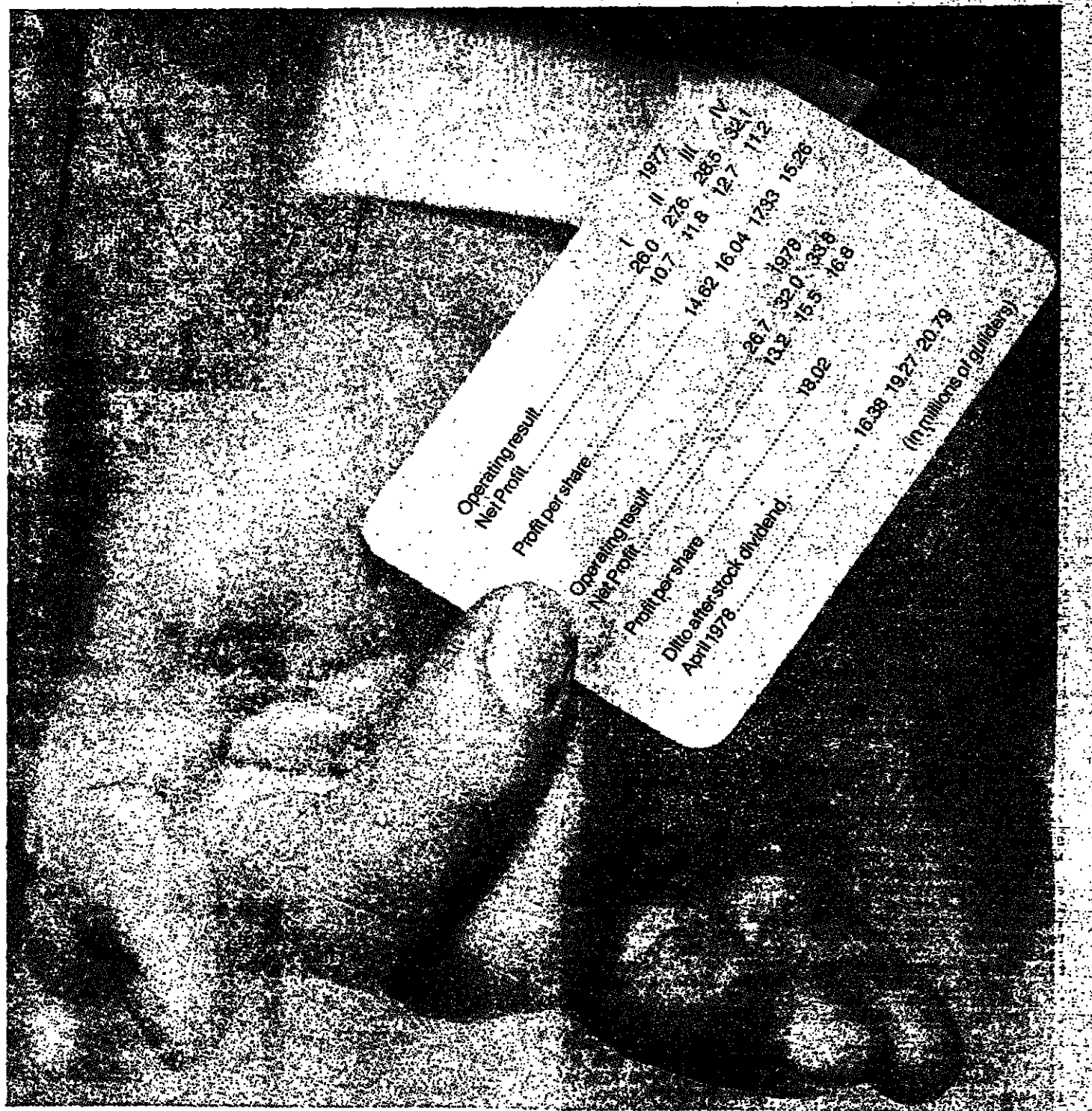
The conventional three-piece can. The new two-piece can.



Metal Box

A good business to be in

Queens House, Fozbury Road, Reading RG1 3JH. Telephone: 0734 561177. Telex: 847437.



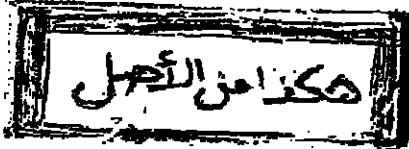
We've a lot more up our sleeve.

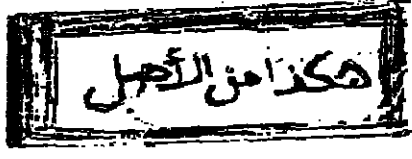
We've done it again. The Westland/Utrecht Hypotheekbank has once again shown a very healthy growth in operating result and profit. Our third quarter figures show a vast improvement on last year's and it looks as though the end of year figures

will be showing record profit. So, if you're considering any real estate activity in the Netherlands, consider the Westland/Utrecht Hypotheekbank. We come up trumps every time. The largest mortgage bank in the Netherlands.

Westland/Utrecht Hypotheekbank

Amsterdam, Sarphalstraat 1. Tel. 020-25191





Food experts to join Allied Breweries board

BY ANDREW TAYLOR

TWO TOP figures in the UK food industry are to join Allied Breweries as non-executive directors. The move is announced just three months after Allied acquired the ailing Lyons food group in a \$60m deal.

Sir Alex Alexander, the retiring chairman of the Imperial Group's food division and Sir Hector Loring, chairman of United Biscuits will join the Allied board at the end of March. Sir Hector retires soon as chairman of the Food and Drinks Industries Council.

The appointments, particularly that of Sir Alex, are seen as the first significant moves to strengthen Allied's newly-acquired Lyons food interests.

ICI adapts profit scheme to gain tax relief

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

ICI HAS become one of the first big companies to adapt its employee share ownership form of profit sharing so that it qualifies for tax relief under last year's Finance Act.

The tax relief is available from this April and the Inland Revenue is now vetting individual companies' plans. Very few schemes have yet been finally approved although there are about 50 under scrutiny.

ICI's amended scheme has been given broad approval by the Inland Revenue and employees are being told this week that they can opt next month for shares carrying tax advantages.

The Finance Act's tax concessions apply to share options of up to £500 a year in schemes which cover all employees. The shares are held by trustees and the tax advantage depends on the time they are held. In general after five years 50 per cent of income tax is waived, after seven years 75 per cent is waived, and after 10 years no tax is paid.

The concessions were included in the Act as a result of Liberal Party pressure on the Government in last year's Lib-Lab pact. They are expected to lead to a gradual extension of employee share ownership in the UK where there have been few schemes in the past.

ICI's profit-sharing scheme is one of the oldest and best known in British industry. It was introduced in 1963 and all employees who qualify are issued with shares. Following

Talks on £24m BL aluminium works

BY ROY HODSON

A BRITISH company and a foreign company are now negotiating with BL (formerly British Leyland) Components which is seeking partners for a £24m, Government-backed, aluminium foundry project in Leeds.

Foreign talks between BL Components and the two biggest aluminium foundries in Britain—Birmid Quince and Associated Engineering—were inconclusive. But the further participation in the talks of at least one of those companies is not ruled out.

BL Components is determined to go ahead with the foundry, to produce aluminium engine blocks and cylinder heads, whether or not it secures support from the private sector aluminium foundry industry.

The BL management is convinced that the group's Austin and Morris mass-production car divisions need the support of a big-engine aluminium foundry for the 1980s. Prices quoted by private sector foundries are too high for the work to be placed outside the group, BL contends.

A comparative study carried out by BL has shown to the satisfaction of the board that the proposed Leeds foundry—which has the blessing of the Little Neddy Foundries committee—should be capable of making engine castings at below the prices being presently paid by BL's major competitors.

The aluminium foundry industry is reacting strongly to BL plans for a new foundry. The Light Metal Founders' Association claims its members have been presented with a fait accompli by BL.

Foundry companies are complaining to the Government and the National Enterprise Board that they could carry out the BL Components engine castings orders more cheaply and efficiently than a BL-owned foundry.

NEWS ANALYSIS—BL FOUNDRY PLAN Casting industry has its doubts

BY ROY HODSON

BEHIND THE BL Components disclosure of plans to build a £24m aluminium foundry in Leeds to make engine castings lies a fundamental disagreement between BL and the aluminium castings industry on the growing use of the metal in car production.

The British car industry is following rather belatedly the example of the European and Japanese car makers by switching to aluminium engine blocks and cylinder heads for mass market models.

Strength for strength, the metal is half the weight of iron or steel. It offers an attractive route forward for car designers instructed to produce new models with lighter all-up weight and better fuel economy.

BL Components is prepared to "go it alone" with the new Leeds foundry after failing at the first attempt to arrange a partnership project with two of the biggest companies in the private sector aluminium foundry business. They are Birmid Quince and Associated Engineering's subsidiary company Aeroplane and bought for £1m.

Meanwhile, new talks are being held between BL Components and possible partners among the foundry companies.

BL Components is hoping still to attract partners from the private sector.

The aluminium foundry industry feels slighted by BL's selective approach to prospective partners, and the decision to expand without outside help if necessary.

"We were presented with a fait accompli," said Mr. Peter Adams, secretary of the Light Metal Founders' Association. The association represents 80 per cent of the total British output of 120,000 tonnes a year of aluminium castings from about 400 foundries.

At the heart of the matter is whether car producers, as they re-vamp to adopt new production methods and materials, are going to integrate vertically to keep as many of the new techniques as possible under their own control.

Reliance

While Henry Ford I liked to keep his production under his own roof the British car industry has developed a high degree of reliance upon component suppliers.

Even Ford at Dagenham, which for many years used to produce its own iron for engines from a Thameside blast

turnover, now buys-in castings from foundries.

But the growing use of aluminium castings for major components such as engine blocks, heads, and gearbox castings, is giving car makers a new opportunity to reassess control of basic production areas.

Aluminium foundries are now highly automated. Using the latest injection systems car companies are able to manufacture castings for themselves without unreasonably high capital outlay.

The aluminium foundries believe they have a strong case for handling BL's extra aluminium castings needs. The industry is working at only about 70 per cent capacity—largely due to declining car output in Britain.

Five years ago (when cars were using, on average, less aluminium than today's models) the castings industry had its peak year with sales totalling 145,000 tonnes.

The industry is hungry for work. The companies believe they are better equipped in both techniques and skills to handle new engine castings than BL can hope to be.

Why have the foundry companies so far not taken up BL's partnership offer? The straight answer is that the foundries lack confidence in BL's Components' manufacturing plans and in the future of BL Cars.

Turnover

They argue that BL's future car output is a highly debatable figure and a fixed investment on a big foundry to serve the company is difficult to justify.

Secondly, the newly-proposed Leeds foundry will have a castings capacity of 13,000 tonnes a year. That will represent a turnover of about £22m a year at present prices. The foundries say that such a level of turnover is too low on a £25m investment.

BL counters that it will continue to follow its traditional policy of making a large amount of its castings—both iron and aluminium—in its own plants because that is the cheapest and most efficient way of doing things.

It estimates that the proportion of aluminium engine castings it takes from "in house" plants will rise from the present 50 per cent of requirements to about 60 per cent by 1987.

It also foresees an export potential from its new aluminium castings plant. The private sector foundries are

Iran crisis shows vital need for coal-Benn

By Robin Reeves, Welsh Correspondent

EVENTS IN Iran underline the importance of fostering Britain's coal industry. Mr. Anthony Wedgwood Benn, the Energy Secretary, said in Cardiff yesterday.

He was speaking before the second series of meetings of the Coal Industry Tripartite Group on the future shape of the South Wales coal industry.

The study is due to be completed by the middle of next month, and there is widespread concern in South Wales that it could lead to a round of pit closures.

Earlier this week, Sir Derek Ezra, the National Coal Board chairman, confirmed the South Wales coalfield is likely to lose about £30m.

The latest accounts showed an increased loss of £3m in 1977-78 in spite of a 4 per cent production increase and an 8.6 per cent rise in output per man.

South Wales has not shown an operating profit since 1970, though since the 1974 Coal Plan, the area has received £90m in major investment schemes.

Mr. Benn stressed that, whatever the conclusions of the tripartite study, there was no question of repeating the mass pit closures programme carried out in the 1960s.

He hinted that further marketing subsidies could be eventually in the offing. The £17m Government grant to increase the coal burn in power stations this winter, for instance, had saved the Treasury about £50m in interest charges on coal stocks and another £50m in imports.

The European Coal and Steel Community has made grants worth £6.2m to assist British coal and steel industry workers. Of this, £4.6m will go to 3,787 miners whose pits were closed last year.

New deal likely on Concordes

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and the Government are believed close to an agreement on refinancing the fleet of Concordes, relieving the airline of the heavy burden of annual depreciation charges.

The corporation has five Concordes in service and bought for about £150m. Its last annual report showed that in 1977-78 Concordes lost £17m, of which about £15m was due to depreciation, with only £2m lost on direct operations.

It is understood that subsequently, with growth of business on the North Atlantic, the airline has made direct operating profits with Concordes, though because of depreciation charges the overall result is a loss.

British Airways, while praising Concordes, has never made any secret of its desire to be rid of the depreciation charges, and Sir Frank McFadzean, the chairman, indicated last year that discussions with the Government were under way.

While details of the proposed agreement have still to be settled, it is understood that original suggestions of a "Concorde Corporation" that would take over the aircraft and lease them to British Airways have been substantially modified.

What is now being considered is a simpler refinancing deal which would not only remove from the airline the burden of depreciation charges, but also enable it to take over the two unsold Concordes of the UK assembly line.

What to do with these aircraft has been a problem facing the Government for some time. One has flown already, and is kept on a "care-and-maintenance" basis at Filton, near Bristol. The other is due to fly this spring.

With seven Concordes at its disposal, British Airways would need to expand its leasing activities, along the lines of that with Braniff Airways of the U.S., which enables Concorde subsonic flights from Washington to Dallas-Fort Worth in Texas to start this Friday.

British Airways is holding talks with other airlines in the U.S., the Middle East and Africa, and hopes that similar deals to the Braniff arrangement will be settled this year.

It also hopes that the Braniff deal will lead to a substantial increase not only in annual utilisation of the aircraft in terms of hours flown, but also of interest from other U.S. airlines, such as Pan American.

In the meantime, the aircraft was given its formal U.S. Certificate of Airworthiness by the Federal Aviation Administration, in London and Paris, clearing the way for this Friday's start to the joint services with Braniff between Washington and Texas.

It was disclosed yesterday that British Aerospace, spending its own money, has developed a new air intake for the Concordes engines that will improve performance by cutting fuel consumption by up to 1,000 kilograms on a long-haul flight.

This means that Concorde can fly further for the same fuel load. It is expected to revolutionise the economics of the Concordes service between Bahrain and Singapore, adding perhaps as many as 35 passengers to the permitted load out of Singapore at the hottest time of year.

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Toothpaste 'rivalry' cuts prices

By David Churchill, Consumer Affairs Correspondent

THE PRICE Commission yesterday gave a clean bill of health to the toothpaste market which is described as "highly competitive" and which has led to a reduction in real prices in recent years.

But the commission mildly rebuked the toothpaste manufacturers for their heavy advertising expenditure as well as their practice of recommending retail prices.

The toothpaste market is dominated by four large companies—Beecham Proprieties, Elida Gibbs, Colgate Palmolive, and Procter and Gamble. The commission said that these companies compete mainly on price—through offering special temporary price reductions—as well as heavy advertising.

Advertising expenditure as a percentage of sales represented just over 17 per cent for toothpaste, compared with almost 8 per cent for razor blades, and just over 2 per cent for detergents.

"We do not suggest that the level of toothpaste advertising should be limited, but we would view any future increase in advertising with concern, especially if it became a factor in any proposed price increase," the commission said.

It pointed out that the real level of expenditure on toothpaste advertising had declined by about 15 per cent from 1973 to 1977. This followed a rise in advertising costs as well as a switch to more price competition.

The commission found that for any given tube size there was a wide spread in the retail price of toothpaste between different outlets. Independent shops largely sold at or around the recommended retail price, while the big multiples sold at minimum prices taking a low retail margin but achieving a high turnover.

Price Commission Sectoral Examination Report No. 12: Prices, Costs and Margins in the production and distribution of toothpaste, HC 125, SO Price £1.

Spending on durables declines

BY DAVID FREUD

SPENDING ON durable goods has dropped steadily since the summer, suggesting some decline in consumer confidence.

Altogether, however, retail sales rose slightly in November from the level of the previous two months, but remaining below the near-record totals of the late summer.

Figures from the Department of Trade yesterday showed that the final index of the volume of retail trade in November stood at 109.9 (1971=100).

That was near the provisional estimate of 109.5 and compares with 108.8 for October and 108.5 for September.

Sales of durables, after a high point in July, were 2 per cent down in the September-to-November quarter compared with the previous quarter.

Durables sales are widely considered one of the best ways of gauging consumer confidence, so the retail sales boom might be taking off.

Other sectors suffered less.

Sales by food shops in September-November was only 0.3 per cent below the level of the previous quarter, while the comparable drop in sales by the clothing, footwear and other non-food shops was 1 per cent each.

Although the index fell from its summer high of 111.8, sales in the first 11 months of the year were 5.1 per cent above those of that period in 1977.

Retailers' predictions of a 5 per cent gain for 1978 should thus be comfortably exceeded.

However, retailers are less optimistic on the outlook for this year and predict only a 3 per cent increase for 1979.

New credit extended by finance houses and retailers rose by £36m in November, seasonally adjusted.

Total debt outstanding to finance houses and retailers increased by £74m in November to £4.2bn (not seasonally adjusted), 30 per cent more than a year before.

HIRE PURCHASE CREDIT AND RETAIL SALES

Year	Month	New credit extended by		Retail Volume		Durable goods (1970=100)
		Finance Houses	Retailers	Total	(revised)	
1976	1st	£m	£m	£m	105.9	117
	2nd	340	493	2,349	105.9	122
	3rd	382	490	2,424	106.9	121
	4th	392	521	2,516	107.3	125
1977	1st	421	547	2,716	105.9	124
	2nd	457	550	2,792	102.3	116
	3rd	486	561	2,930	102.5	118
	4th	544	605	3,108	104.3	121
1978	1st	585	604	3,241	104.4	121
	2nd	626	634	3,397	106.3	125
	3rd	617	726	3,797	108.0	129
	4th	701	726	4,030	110.8	135
1979	Jan	772	201	3,507	107.0	117
	Feb	231	232	3,594	106.7	132
	Mar	243	228	3,689	108.4	126
	Apr	242	217	3,797	108.7	130
	May	213	245	3,831	111.4	134
	Jun	252	241	3,953	111.8	138
	Jul	246	246	4,020	109.5	133
	Aug	242	227	4,109	109.4	131
	Sep	242	243	4,238	109.9	129
	Oct	262	243	4,238	109.9	129
	Nov	262	243	4,238	109.9	129
	Dec	262	243	4,238	109.9	129

Company failure rate down by 27%

COMPANY FAILURES fell by nearly 27 per cent in 1978, to 1,445, compared with 1,970 in 1977, according to figures issued yesterday by Trade Indemnity, the credit insurance operation.

The largest reductions were in furniture and upholstery where failures dropped by almost 33 per cent, and in textiles and clothing which experienced a 31 per cent fall.

There were also fewer failures in most sub-categories although there was a deterioration in the case of building sub-contractors, construction and civil engineers, hosiery and knitwear manufacturers and interior decorators and furnishers.

There was a marked improvement at the retail/wholesale end of the clothing and furniture trades, where failures dropped by 37 per cent and 46 per cent respectively.

The fourth quarter of 1978 saw the lowest number of failures in the year—308—with 359 in the third quarter, 340 in the second and 438 in the first quarter. The 1978 total is the lowest since 1969 when this series of statistics was first started.

The only exception to the general trend throughout was engineering and metals where 47 failures were notified in the final quarter compared with 45 in the previous quarter.

Shetland probe of Sullom Voe oil spillage

SHETLAND ISLANDS Council has set up a sub-committee of four councillors to investigate the recent oil spill at Sullom Voe and the methods used in containing and clearing the 1,100 tonnes of tanker fuel oil from the damaged tanker, Esso Bernal, which has polluted miles of Shetland coastline.

The spillage was originally contained within inflatable plastic booms but when the pump keeping the booms filled with compressed air broke down, oil escaped into the Voe and Yell Sound. A wide area around the £33m terminal, which is still not fully completed, was polluted.

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Euro-Tories issue call for trouble-spot troops

BY ELINOR GOODMAN, LOBBY STAFF

MEMBERS OF the EEC should co-operate in setting up a special emergency brigade of troops which could be sent to the world's trouble spots, says a policy statement published yesterday by a group of Conservative pro-Europeans. The idea was one of a number for increasing collaboration on defence between the Nine.

It was included in a booklet which the Conservative Group for Europe hopes will become official Tory policy for the European elections on June 7. In it, the group also suggested ways of speeding up the community's decision-making and improving its credibility.

The group argued that unless the EEC was given more responsibility for policy and defence, it would be reduced to no more than a trading club. It was inconceivable that a community which was developing common trade policy should not eventually have a common security policy.

Defence Ministers of the Nine should set up a study group to report within two years on the feasibility of the community's making a joint contribution to the Atlantic Alliance, and of setting up a "Euro-force" of brigade strength to deal, when requested, with natural and man-made disasters outside the NATO area. Mr. Derek Prag, who helped produce the pamphlet, said that this force could be used in situations like the invasion of Zaire last year.

There was also concern that the community tended to be better at talking about things than actually making decisions. It suggested that a time limit should be put on the Council's decisions. If the Council failed to reach a decision within six months to a year the European Parliament should be asked to decide. For the same reason it proposed the appointment of a senior politician as a co-ordinating Minister for the Council of Ministers. His job would be to act as the Council's progress chaser and ensure that things were not delayed unnecessarily.

Foreign Policy and Defence: A Role for Europe, Price 50p.

SE reports on share inquiry

BY NICHOLAS COLCHESTER

A SPECIAL Stock Exchange committee investigating alleged share price rigging presented the SE Council yesterday with a second report.

Like the first, involving the Piccadilly Unit Trust Group, the report will be forwarded to the City Police and to the Department of Trade. It is understood that the new findings will lead to disciplinary action by the Exchange.

Stock Exchange officials would not discuss in detail the content of the new report because of the legal problems implicit in the contents. It is probable that the Stock Exchange will make no further public disclosure of the contents for at least a fortnight.

The first report, which led to the resignation of the investment director of the Piccadilly Unit Trust Group, involved alleged price manipulation achieved by trading unmarketable securities in unmarketable amounts by means of "put-throughs"—deals where both seller and buyer are lined up in advance.

It is understood that the new report involves other securities beyond the nine mentioned in the first reports. But while the alleged malpractices are said to be linked to those shown up earlier, they are of a different nature.

No wide abuse has been revealed, apparently. The activities involve what a Stock Exchange official described as a "limited but industrious number of participants."

The SE Council is still considering what action to take on the latest findings.

The council also studied preliminary proposals for the tariff structure for Tallman, the new electronic settlement system.

It is expected that a final decision on the scale and allocation of these charges will be taken at the council's meeting in two days' time.

£1m expansion

INTERNATIONAL System Buildings of Wyllie, Blackwood, Gwent, yesterday announced a £1m expansion programme aimed at establishing its Reddi Kabin mobile units as market leaders. Three production lines will come into operation at Wyllie and the management team is being expanded.

Ulrecht bank

UK NEWS - LABOUR

The following Tombstone announcements were published in the Financial Times during December

BONDS

Table listing various bonds with columns for Issuer, Publication date, and Amount. Includes entries like 'Götisbanken', 'Republie of Panama', 'Federalive Republic of Brazil', etc.

LOANS

Table listing various loans with columns for Issuer, Publication date, and Amount. Includes entries like 'The Hashemite Kingdom of Jordan', 'Udruzena Beogradska', 'Kansas City Power & Light Co.', etc.

OTHERS

Table listing various other financial instruments with columns for Issuer, Publication date, and Amount. Includes entries like 'Royal Bos Kails', 'American Airlines Inc.', 'The Southland Corp.', etc.

TRANSPORT DRIVERS' STRIKE PARALYSES BRITISH INDUSTRIES

Big lay-offs expected soon

By our industrial staff. HUNDREDS OF thousands of workers throughout Britain are expected to be laid off within the next week or so as the lorry drivers' strike intensifies. Few industries have escaped severe shortages of raw materials and difficulties in dispatching finished products.

Cargoes pile up in the docks

By Lynton McLain. CARGOES UNLOADED at Britain's ports remained on quaysides in the face of intense picketing by lorry drivers yesterday.

Food industry grinds to a halt

By Christopher Parkes. SUPPLIES of sugar to the British food industry have virtually dried up, the Food Manufacturers' Federation said last night.

Unions want to end public spending curb

By Pauline Clark, Labour Staff. TWELVE leading public-sector unions united yesterday to call for an end to cash limits and the secrecy in which major decisions on public expenditure are made.

Provincial Press talks break down over pickets

By Alan Pike, Labour Correspondent. PEACE TALKS in the five-week-long provincial journalists' strike broke down yesterday in a dispute with the National Union of Journalists over the effects of picket action.

Print union merger move may widen split - or herald unity

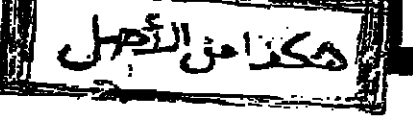
By Christian Tyler, Labour Editor. PRINT UNION members finish voting this week on a merger whose success or failure will have important implications for the general printing and advertising agencies.

Print union merger move may widen split - or herald unity

By Christian Tyler, Labour Editor. PRINT UNION members finish voting this week on a merger whose success or failure will have important implications for the general printing and advertising agencies.

AUEW tells Rolls-Royce men to work normally

By Alan Pike, Labour Correspondent. ROLLS-ROYCE workers who are disrupting the company with industrial action were yesterday told by their union to resume normal working.



Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

PROCESSES

Welding assemblies by laser

ADVANCES in the pulsed capability of carbon dioxide lasers are leading to dramatically improved production results, especially in welding and heat treatment.

Coherent is one of the technology leaders and some of its new techniques have already solved problems for battery manufacturers. The latter companies have had difficulty with both quality and cost when welding their products.

One task has been to seal hermetically a stainless steel cap to the case of a lithium battery with minimal heat effects on the contents of the battery. This can be accomplished with a coherent 275-watt Everlast industrial laser in the "enhanced pulse" mode which achieves a welding speed of 30 inches per minute. Maximum penetration is 0.03 inch with a weld width of 0.015-0.02 inch.

Another model can seal hermetically electrical feed-throughs to a lithium battery case, with minimal distortion

and no damage to the feed-throughs or the contents. This method is attractive because there is only a small heat-affected zone and no special vacuum chamber is necessary. Penetration is 0.02 inch without inert gas shield, and a linear speed of 8 inches per minute can be achieved.

A higher-powered unit, the 525-1, offering 500 watts continuous power, had been used to heat-treat, selectively, rotating shafts of SAE 1090 steel through transformation hardening on the wear surfaces. It has achieved a linear speed of 40 inches per minute with no part distortion due to the heat-treating process. The depth of penetration is 0.02 inch with a hardness of 62 (Rockwell "C"). The treatment is performed on finished components with minimal distortion. There is selective hardening of wear surfaces only.

Coherent (UK), 13 The Mall, Bar Hill, Cambridge, CB3 8DZ, Cambridge CB3 8DZ.

OFFSHORE INDUSTRIES



Anti-hypothermia suit for use in full scale emergencies in all offshore installations, developed for Shell Expro by Strentex Fabrics, Darwen, Lancs. The material is basically in three layers bonded together—outer durable material in fluorescent yellow, an inner metallised polyester face to reflect heat, and a foam cellular layer sandwiched between. The garment is designed to permit a warm air layer between the material and the wearer whilst allowing him complete freedom of movement. The material has also been used for a one-piece survival bag, designed for victims of immersion in sub-zero seas, or at hazard from exposure. The bag arrests further body heat loss above the level of self-recuperation and should ensure recovery.

HANDLING

The ice plants cometh

ONE, TWO or four insulated containers which, when joined together, can be used for ice storage, comprise a type of plant said to offer many advantages over conventional systems, says Norwegian manufacturer Finsam International, Bygdoy Alle 23, Oslo 2.

All the equipment—the ice machine, the premanufactured machinery room and the ice transport—is packed inside the containers.

Benefits are derived from the fact that the ice-plant is delivered at a fixed price and involves a minimum of building and administration work, and requires an extremely short assembly time on site as all parts are premanufactured. (Provided the site is ready, the whole plant can normally be erected within two weeks).

Furthermore, the plant is said to have a high second-hand value because it can easily be moved to another location.

Storage capacity varies with the crushing degree and the thickness of ice—standard ice unloading capacity is based on an average of 20-25 tons an hour.

Plate-ice machines generally have a built-in built-in condensing unit and direct expansion R-22 from two tons in 24 hours to 20 tons in 24 hours.

Container bodies are normally 20 x 8 x 8 feet, the outside layer consisting of 1.24mm steel cladding welded to

the container frame to form a complete airtight shell. Inner layer is of 1.55mm aluminium sheets, and the floor/roof inner layer consists of 12mm plywood covered with fibreglass reinforced polyester. For the middle layer, rigid polyurethane insulation is used and foamed "in situ" to a thickness of 80mm in the walls and 100mm in the floor and roof.

Ice-machines have a fully wired control panel, and there are clip-on units for storage cooling. For a transport equipment there is separate control panel containing automatic fuses, starter, time relays, etc., delivered fully wired and ready to connect.

Fully automated transport of ice into and out of storage is operated from the "production" and the "delivery" part of the electric control panel.

Additionally, containerised ice-plants are also available with a range of special equipment including "packaged" water supply from ground level to condenser and/or ice-machine, insulated and ready to put up on the container walls; also water-pump to the condenser with (insulated) housing and supporting fastenings to the container bottom rail with air-grids for remote placed air-cooled condenser.

Further information from Export Council of Norway (01-899 6261).

More information from Lankro on 061-739 7300.

DATA PROCESSING

For mobile recording

LATEST DIRECT writing the mains. Called Minigraph, the instrument makes use of a tungsten halogen lamp instead of the more customary ultraviolet source, offering a long life and a start-up time of 150 milliseconds as opposed to two minutes for ultraviolet. It is thus available for operation almost immediately after switching on—there is no need to leave the instrument running "awaiting use," thus economising on both lamps and motor.

The high intensity of the lamp used and the low ambient light level in the recorder

allows standard direct writing papers to be used (the same type as in UV recorders) over a wide range of paper speeds down to one millimetre per second.

The universal wiring of the module housing accepts, without modification, the majority of the signal conditioning modules including high gain differential amplifiers (10,000 times), a transducer bridge amplifier, charge amplifier, frequency-to-voltage converter and a transient tachometer. Others are under development.

More from Lennox Road, Basingstoke, Hampshire RG22 4AW (0256 20244).

Small businesses micro

BASED ON Zilog microprocessor hardware, Micropower of Basingstoke has introduced a "complete business system" with an entry level price of under £10,000, which includes printer, VDU, all software, installation and training.

The system is called MCBS and will be seen publicly for the first time at Microsystems '79 in London (January 31 to February 2).

Micropower is aiming at small to medium sized businesses and the system will take care of all ledgers, order entry, stock control and payroll. It is extendable, claims the company, by many times at a cost which is

little more than that of one extra employee.

Basic hardware consists of the MCZ-1/05 micro, Centronics 702 printer, and the Hazeltine 1500 visual display unit. Included are 64k bytes of random access memory and 600k bytes of floppy disc, allowing an 80 character 24 line display on the VDU. Printing is at 120 characters/sec.

Further up the range the more powerful MCZ-1/20 or 1/25 floppy disc or the 1/35 cartridge disc systems are employed.

More from Hampstead House, Basingstoke, Hampshire (0256 54121).

IN THE OFFICE

Versatile copier

OFFERED BY A. B. Dick is a new model of plain paper copier, the Model 990 which can handle a variety of copying jobs including labels, transparencies and letterheads.

Sheet or roll plain bond paper can be used and in the latter case a length selector enables the operator to choose from six paper lengths between 5 1/2 and 17 inches, including A3 and A4.

The unit's sheet by-pass feed makes it quick, easy and inexpensive to make two-sided copies on any kind of paper. The first copy is delivered in

less than seven seconds with further copies at the rate of one every four seconds.

A flatbed glass copy board is employed, and for copying three dimensional objects and bound volumes a two-way hinge opens the flatbed cover and also raises it up to three inches at the hinge.

A dial setting allows from one to 20 copies to be made and a cumulative counter records up to a million.

More from SS, High Street, Brentford, Middlesex TW8 8BA. (01-568 8899).

COMPONENTS

Low-cost servo units

LATEST introduction by Portescap is the H series of instrument motor tachogenerator units for use in high-performance drive and positioning systems.

Design is based on a new tachometer unit which is only 16 mm in diameter and is assembled in the factory to any Escap 23 or 25 direct current motor.

The motors all have very low inertia as a result of the ironless rotors employed, thus reducing to a minimum the drag on the system. They also

exhibit low output ripple (about 5 per cent) due to the use of a nine-segment coil, and particularly linear speed-output voltage characteristics.

A choice of self-lubricating sintered bronze bearings or ball races is available which, together with the precision metal commutators and brushes, result in a long, maintenance-free life.

More from 204, Elgar Road, Reading, Berkshire RG2 0DD (0734 861485).

Coating without solvent

NEW BUSINESS for Lankro—radiation-curing chemicals—has been set up following an investment of £1m in research and development over the last four years. At the same time a range of speciality monomers, oligomers and systems for radiation curing surface coatings from present facilities is being introduced.

A big increase in production capacity is to come on-stream in Eches, Manchester, by late 1979.

Radiation-curing chemicals business is growing rapidly due to environmental and energy-saving considerations. But it involves a high degree of technical and production expertise, and is not open to everyone.

Lankro Chemicals (Diamond Shamrock Europe) already known in the urethanes and

polymer additives fields, will thus have radiation-curing chemicals as its third major business area.

These chemicals are used for producing ultra-violet or electron beam cured surface coatings on a variety of materials. They find major application in printing inks, in coatings on metal, plastic, paper and wood, and in printed circuit boards.

As they provide solvent-free surface coatings, they are environmentally acceptable. High energy conversion efficiencies of ultra violet and electron beam curing is similarly advantageous.

Currently the European market is estimated at over £3m and expansion is rapid.

More information from Lankro on 061-739 7300.

COMMUNICATIONS

Simplified tuning

AVAILABLE for radio set makers from Mullard is the BE212 variable capacitance double diode which enables a high tuned circuit magnification factor to be realised so that good receiver design can be realised with only two tuned circuits.

Intended for amplitude modulated receivers with several wavebands, the component is claimed to have a higher capacitance ratio over its operating voltage range than any similar device.

Between 0.5 and 8 volts the ratio is greater than 23; at 0.5 volts the capacitance is greater than 500 picofarads.

The capacitance-voltage characteristics between 0.5 and 8 volts is virtually exponential.

so that non-linearity effects which lead to cross modulation and high distortion are small.

Signals up to 150 mV rms are handled without distortion (a figure easily achieved with a standard automatic gain control circuit).

Change of capacitance with temperature is 500 parts per million and is almost completely independent of voltage.

An added advantage is that the low operating voltage requires no dc to dc converter in electronically car radio design.

Mullard is at Torrington Place, London WC1E 7ED (01-560 6833).

BROADCASTING

Simulates phone line

THE DESIGN of modems and other data transmission equipment with respect to its performance in the presence of various kinds of telephone line noise can be assisted with the use of a line simulator put on the market by Wandel and Goltermann.

Made by Axel Electronics of New York (for whom W and G has recently been appointed sole agent in the UK) the equipment will also prove useful for training maintenance engineers and end users of data transmission apparatus.

This compact unit can provide switch selectable simulation of standard line "worst case" conditions and in addition can superimpose such steady state disturbances as variable random noise, phase jitter, frequency shifts and harmonic distortion. It can also provide transient phenomena such as impulse noise, phase and amplitude "hits" and amplitude drop-outs.

All these disturbances can be selected and varied individually or simultaneously.

For applications where only the standard line worst case conditions need to be simulated, a less comprehensive model is available.

More from 40, High Street, Acton, London, W3 6LG (01-992 6791).

Sorts the small parts

BECAUSE PINS, rivets and other fasteners vary so much in length, plus or minus, outside the specified tolerance, there are problems in effecting bulk supply.

A recent example concerns a user of stainless steel rivets who required that lengths be within the 0.14mm range to satisfy the job specification and the rivet machine setting. Actual length was not critical since the machine could be adjusted accordingly. However, the tolerance was to obviate possible machine stoppages or incorrect rivet setting.

In this case, rivets supplied were outside the specified range by as much as 0.3mm—a problem which could not be rectified by the supplier without increasing costs.

The answer seemed to be in sorting the rivets into groups according to the tolerance range, but the question asked was "how?"

Overcoming the problem, by the range of sorting and batching machines based on its standard vibratory bowl feeders, is Automated Production of 7, Factory Road, Upton Industrial Estate, Poole, Dorset BH16 5HT (0202-62 4727).

Parts fed from the bowl correctly orientated are transferred via a track arrangement to a precision mechanical or electronic gauging unit, says the company, where they are then selected according to pre-set tolerances, and then diverted into a further set of tracks.

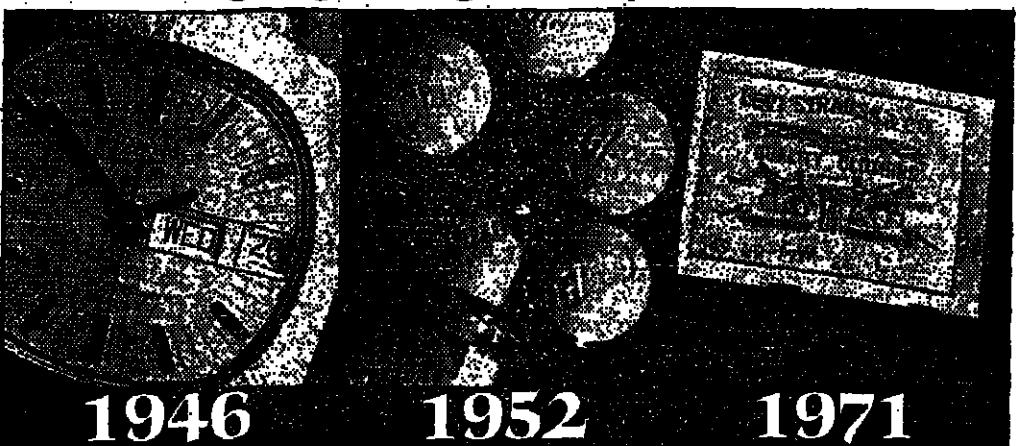
These can be directed to load the parts into magazines, or direct to the process. Alternatively, the tracks can be led to a series of the company's counting units and, from thence, to packaging or bagging units.

Depending on customers' requirements, or the size of the components being handled, feed rates of more than 150 a minute can be achieved, says the company.

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Estimated consumption of fuel oil per month in this location was about 500 gallons a month. With the successful introduction of the compressor, the three-storey mill building is kept at the required temperature, and supplementary heating is now provided to the canteen on the mill's first floor.

Future expansion of the two manufacturing plants is to include extra compressors, says the company, and heating for the works will again be tapped off the exhaust heat.

CONSTRUCTION

Opens glass doors

A SLIDING-DOOR system for use with framed or unframed plate-glass doors is being offered by Besam of Aldershot.

Power is provided by an electric motor which moves the door leaves through a chain-and-sprocket system. The only connections required are a single-phase power supply and the leads from the actuation device. The standard operator is fitted with a carrier, or upper frame, designed to hold the sheet of glass, and the track on which the carrier runs is reinforced to take the additional weight.

The track forms part of a newly developed aluminium profile which spans the full width of the doorway; the profile also acts as a rigid framework for the door operator and supports the top edge of fixed glass side-screens, if fitted.

Standard sizes of door opening are based on a 200-mm module with a maximum of 2,000 mm for double-leaf and 1,500 mm for single-leaf doors. Openings up to 2,800 mm can be supplied to special order.

Besam also supplies complete sliding plate-glass doors based on the new system. This service covers the supply of plate-glass door leaves and side screens, floor guides specially designed for glass leaves, and the complete operating system, as well as aluminium frames and brush-type seals where required.

Besam is located at Unit H, Holder Road, off North Lane, Aldershot GU12 4RH. Hants (0252 313146).

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

British strikes: why managers can't sleep at night

R. J. Ramsey, the industrial relations director of Ford, UK, replies to last week's article by J. J. Maling, a former shop steward, which provided a shop floor perspective of factory strikes.

IT IS NOT often that reading the Financial Times causes me to lose sleep but Mr. Maling's article on British strikes in your January issue made me so unhappy that I not only lost sleep but decided that I must try to correct the dangerous misapprehensions that he may have created.

The apologists for British strikes have three well-known themes:
1. That we have far less damaging strikes than other nations, such as the United States;
2. That, in any event, they only occur in a small part of British industry; and
3. That the time lost through sickness and accidents is far more significant.

Strike habit

Unfortunately, all three statements are completely untrue. The strike problem in Britain is endemic and widespread. It is the biggest single cause of our industrial and economic decline as a nation and there is no way that we are going to progress as a nation unless we can solve the problem, and that is the reason why your article kept me awake.

How can Britain solve the problem if Mr. Maling and many others either don't believe that the problem exists or that if it does, it is not serious?

Let me examine the position. First, the British strike habit is vastly more damaging than in any other of the advanced Western industrial nations. The severity of strikes is not only a function of man hours lost but also of the frequency and predictability of strikes.

In the United States, indeed throughout the free world, it is commonplace for employers to be faced with end of contract strikes on wages, or other conditions. These strikes are regrettable and damaging but at least they can be foreseen and can to some degree be anticipated by customers who can take a certain amount of protective action. They are the legitimate price of preserving a free society.

What is virtually unique to Britain is not these strikes but

the incessant daily unofficial strikes, in breach of procedures, which make the jobs of both management and shop floor employees a misery.

Interminable unofficial disputes and threats of unofficial disputes make the planning of production a nightmare, concentrate the energies of management and trade unions on fire-fighting instead of building constructive relationships and create never-ending strands of antagonism. They cause vast losses of the nation's annual productive capacity which occur almost unnoticed because most of the disputes do not hit the headlines, do not get notified to the Department of Employment and do not become part of official statistics.

Nevertheless, they ruin the British reputation as a reliable supplier of goods and services. As a member of a large company operating throughout the Western world I am only too keenly aware that this problem, with its attendant catastrophic consequences, is almost unique to Britain.

Out of the blue

The comparison with time lost through sickness and accidents is totally misleading. Time lost through these causes in Britain is, if anything, a good deal less than in many other Western nations, but those other nations don't lose any of their productive effort as a consequence.

Sickness absence can be planned for as a regular, inevitable occurrence and, provided an adequate labour force is recruited to take it into account, and providing trade unions agree on mobility of labour between jobs then no loss of production results. But a stoppage of work,

coming out of the blue, by as few as 10 or 15 men, can throw the whole productive effort of a factory or a series of factories completely out of gear for hours or days and involve the laying off of thousands of other employees, with loss of wages.

We may decide to cherish the illusion that the problem does not really exist, but you cannot fool customers. Customers both at home and abroad, know when they are not getting the goods they have ordered on the day they were promised them. Customers overseas know that this is a peculiarly British problem.

Mr. Maling's caricature of management really won't wash. There may have been a time when British management could reasonably be lampooned for their inability to appreciate how shop floor relationships should be handled, but for the majority, that time is long past.

Employers generally are fully aware of the fact that their employees have the economic power to ruin the Company for which they work. Not surprisingly, therefore, they increasingly give the fullest possible attention to providing the institutions and procedures and a management style to produce better relationships.

Most employers understand that employee participation is not something awaiting Government legislation before it is embarked upon. On the contrary they know that employee participation in Britain is a daily reality through the simple fact of the existence of the British trade union movement based on shop floor representation, and of the economic power possessed by its members. They know that, because this participation is founded on the adversary principle and is too often of a negative charac-

ter, the job of managing in Britain is tougher than in most other countries, but they accept that challenge.

However, they also know that there are two missing ingredients to any hope of this country embarking on a more successful course:

- 1. the attitude of people like Mr. Maling, who do not see the strike problem for the national disaster it is, and
2. the failure of the British trade union movement to be able to sign a procedure agreement with a 'no strike' clause until the procedure is exhausted, or an annual economic agreement with a 'no strike' clause and be able to guarantee absolutely that the signatures on the agreement will be honoured.

Confidence

Some years back it was reasonable for unions to argue that procedure agreements could not be honoured because the necessary prerequisites for them to be honoured, such as status quo provisions and protection against arbitrary disciplinary action, had not been provided by management.

Today that is no longer the case, but they are still not honoured. Until that problem is solved we are not going to find either investors or customers who will place the necessary confidence in British industry.

It is my firm conviction that if we can get procedure agreements honoured and if we can remove the problem of unofficial strikes, then there is nothing that can stop a flow of customers and investors anxious to do business with Britain. We would immediately increase our national productivity, make full use of the productive resources available, improve and increase those productive resources and create more jobs by the way: real money can create more jobs than is by finding and maintaining more satisfied customers at home and overseas.

As soon as we stop treating customers with contempt by our indulgence in unofficial strikes, Britain's future will be assured.



The ins and outs of employing a company lawyer

BY A. H. HERMANN

THE 4,000 or so British barristers practising in Chambers get more limelight than the almost equal number of their brethren employed in business, in the Civil Service, in local government, or teaching in law schools. But those employed in commerce, finance and industry earn more money, or so it appears from the two surveys of earnings recently published, one by the Bar Council and the other by the Bar Association for Commerce, Finance and Industry.

The high fees of outside lawyers provide an incentive to companies to build up "in-house" legal teams, though this tendency is counteracted by the diversity of laws in different states in the U.S. and, in the case of multinational companies, or those operating world-wide, by the need to rely on local lawyers when doing business in foreign countries.

The independent lawyer's enthusiasm for protracted litigation or even avoid it altogether. On the other hand, the increasing internationalisation of legal business makes outside help more important, as only the man on the spot can interpret the law books against the background of local customs and politics.

He may be inclined to take a dangerously "pure" legal view. On the other hand he is likely to be blissfully ignorant of any inter-departmental warfare and of the pet ideas of the managing director so that his advice will be undiluted by the need to pacify the egos of influential members of the management.

The result is that even very large companies, with between 25 and 50 per cent of their sales outside their home countries, employ relatively few house lawyers at headquarters. Twelve such companies interviewed recently by Business International employ between four and 25 full-time lawyers in their headquarters averaging at between 10 and 15.

All these companies were reported as finding outside legal assistance too costly and disadvantageous in the long run. One of them continued to farm out as much as half their international legal work at a cost which one company reported to have reached over £500,000 in 1977.

Companies whose business warrants the employment of a larger team of lawyers can include in it specialists in certain territories or branches of law. Relatively less outside help would then be needed than by companies employing only a few generalists. However, even when it is necessary to consult outside specialists, and to send lawyers admitted to courts in a relationship or situation from which an agreement to be drafted—or a dispute—is likely

To make the best use of the diverse motivations and abilities of inside and outside lawyers is a difficult, but worthwhile, managerial problem. Inside lawyers must be given a feeling of independence and security and encouraged to give their individual—not collective—opinions and not to hesitate even if they know that the management will not like them. Such independence and direct access to top management should also be afforded to lawyers working in subsidiaries. Outside lawyers, on the other hand, should be taken into one's confidence, have the company's policy explained to them and made to accept that even a successful litigation could occasionally be bad for business.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Assessable as a director

I am a director of a small close company, in which I have about 10 per cent of the equity. For 1974/75 they wish to tax me on a health, sickness insurance premium for sick pay. Is it allowable? I thought it had only recently been disallowed. The same problem applies to a BUPA subscription in 1975/76, plus sick-pay insurance. In 1976/77 I received £39 in luncheon vouchers. They say this is taxable as well. Are they right? Are BUPA subscriptions, etc., taxable in 1976/77? As they are argumentative, any Acts you can quote would help.

Because you are a director, all the items you mention are assessable. The change in the law you are thinking of merely extended the assessability of health insurance premiums to all employees, instead of merely directors and higher-paid employees. We cannot quote any legislation which would help you to resist the tax demands.

The relevant legislation is: section 106, Income and Corporation Taxes Act 1970, for the years before 1977/78; section 61, Finance Act 1976, for 1977-78 et seq.; and (for all employees): section 68, Finance Act 1976, for 1976-77 et seq. The taxation of the cost of

luncheon vouchers is subject to extrastatutory concession A3 which you will find in a free booklet (IR1) obtainable over the counter at most tax inspectors' offices, or by post. Your vouchers presumably do not satisfy the second condition for concessional treatment.

Resumption of a profession

Since 1973 I have been a salaried partner with a firm of consultants, prior to which I had been a consultant on my own. I am now thinking of becoming a consultant again. When I was so previously I was allowed travelling and other expenses to a client at a distance. What, please, will be my position vis-a-vis the Revenue in future? We take it that you were treated as having permanently discontinued your consultancy profession in 1973, and that the cessation rules were consequently applied to your schedule D case II assessments for 1972-73 (or 1973-74) and the preceding two years. As a salaried partner, presumably you have been subject to PAYE and assessments under schedule E.

That being so, the schedule D case II commencement provisions will apply to the resumption of your consultancy profession for 1978-79 and the next year or two. The rules relating to travelling expenses etc. have not altered significantly during the past five years (at least as far as you appear to be concerned), but you will find general guidance in a free Inland Revenue booklet called Starting in Business (IR28). You should be able to get a copy

Non payment of rent

Twice I have had to sue for forfeit for arrears of rent and twice I have followed the drawn out Court proceedings to obtain judgement and then on both occasions the tenant has eventually paid up, this last time having to serve also a warrant for execution.

Previously I have served a Notice under Section 146 of the Law of Property Act 1925, on another tenant for dilapidations needing repair, under breach of covenant, but not for rent unpaid.

There is still three years of the tenant's lease to run; how can I terminate the lease? How can this avoidance of forfeiture in favour of the tenant be brought to an end? You cannot avoid the statutory provisions concerning relief from forfeiture whether for non payment of rent or for other breaches of covenant, the best that you can do is to seek as a condition of relief from forfeiture, an order that the tenant pay your costs on a common fund basis instead of on a party and party basis. Section 146 notices are requisite in all cases other than forfeiture for non payment of rent, and even where the breach of covenant is not capable of being remedied.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

How to play safe with security

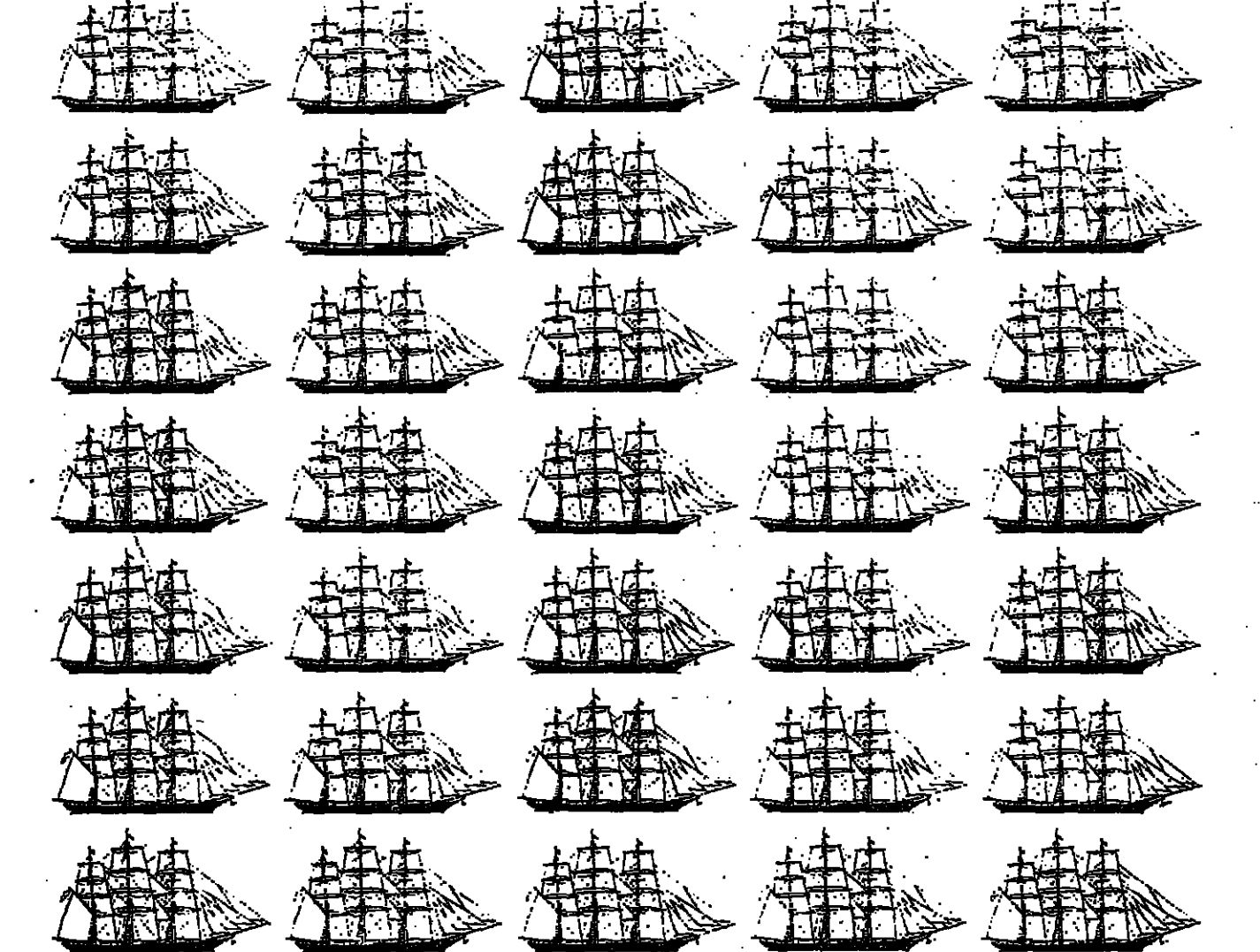
NO COMPANY can be completely free of security worries. For some, it may not go much further than the safekeeping of the weekly wage packets. For shops, for instance, it is the more serious one of pilfering, both internal and external.

But security problems may be far more complicated than the mere protection of physical goods; computer fraud and the theft of information, such as research and development know-how are growing worries for many companies. And for some of the larger companies there is the all too real threat of kidnapping of senior employees.

The enlarged edition of Practical Security in Commerce and Industry, published later this month provides a wealth of information on dealing with the problems of security. So much so it cannot be recommended as bedtime reading.

This latest edition has been revised to take account of changes in legislation since 1972 and it includes new information on risk assessment, contractors and kidnapping.

Practical Security in Commerce and Industry, 3rd Edition, by Eric Oliver and John Wilson, published by Gower Press, January 25, 1979; price £12.50.



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and a capacity that is many times larger than when we started. But we think our industry's sophistication makes it all the more crucial to care for you, and care for your cargo. However much - or little - of our capacity you need.

Yet the attitude to service, first projected by Thomas and James Harrison with their fleet of wooden ships, has not changed at all. The philosophy of looking after both client and cargo remains our powerful prime mover.



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"I thought metrication was miles away."

A46 road sign showing distances: Lincoln 19 Km, Newark 45 Km, (Nottingham 77 Km), Leicester 101 Km.

Give the Eurocrats 2.54 cm and they'll take 1.609 km. Then, before you know it, the total metrication of British industry will be upon us.

Or the BC/7 small business computer. It actually tells you step by step and in plain English, how to find the answer you're looking for.

SPERRY UNIVAC COMPUTER SYSTEMS. SPERRY UNIVAC IS A DIVISION OF SPERRY RAND LIMITED.

THE ARTS

Half Moon

Guys and Dolls

As Guys and Dolls is my favourite musical that I've never seen on the stage...

Sarah is a Salvation Army lass who, while attempting to save souls on Broadway...

her maybe on account of her shooting her neck round like a starling hen...



Jim Hooper, Maggie Steed, Matthew Robertson and Robin Hooper

Television

Ringling in the new

by CHRIS DUNKLEY

Now that the season of good will and ghostly old tat is over, the air waves are chock-a-block with new material...

However before coming to those series there are a number of single programmes which deserve comment.

In Search Of Ofra from BBC Manchester was a documentary of a fairly familiar sort...



Anthony Andrews in 'Danger UXB'

the appeal of the cult or about the faults—cosiness, hypocrisy and so on—of the parents.

Another new series, new to Britain anyway, also made slavishly to formula...

Elizabeth Hall Michel Dalberto by DOMINIC GILL

I disagreed profoundly with the jury's decision last September at the Leeds International Piano Competition...

In Leeds, I found Dalberto's sequence of nicely turned, small-scale performances fluent but oddly featureless...

His second half was devoted to Schubert's D major sonata D850: an account more remarkable for its lack of fine detail...

Exhibitions at the National Poetry Centre gallery The New Year sees an important new development at the Poetry Society's headquarters...

ing, Turpin has taken young Swiftwick under his wing, and the series is set to rival the very best of the old Saturday morning cinema serials.

Dick Barton's Special Agent looks as though its producers at Southern might be hoping for success in precisely the same area...

However, by casting against type and using the well-liked Richard O'Sullivan in the title role, producers Paul Knight and Sidney Cole have achieved half their presumed object...

sonata K311, were the very quintessence of nonchalant elegance: in the tempestoso of the Sarcasms all poise and good manners...

His second half was devoted to Schubert's D major sonata D850: an account more remarkable for its lack of fine detail...

Exhibitions at the National Poetry Centre gallery The New Year sees an important new development at the Poetry Society's headquarters...

work exhibited should necessarily have any connection with poetry. The programme of exhibitions from January to March is: January 8-31: Photographs by John Stothart...

from BBC 1 and Danger UXB from Thames.

For the first half-hour of the lengthy opening episode, Telford's Change looked suspiciously like a smarmy version of The Brothers or a 1979 rebash of The Adventurers...

Even now, without seeing more episodes, it is impossible to be completely sure, but the combination of Brian Clark's writing and Peter Barkworth's acting did seem to be producing some depth of character...

Danger UXB (unexploded bomb) seems pretty clearly to be a cut above the average war series and to be quite uninterested, thank goodness, with the replaying of nationalist hostilities.

Purcell Room

PLG Young Artists

The Park Lane Group has been forced this season to impose severe restrictions on the scope and the number of its concerts.

of a well-schooled technique—clean bowing, energetic attack, sure intonation—that has been cultivated from an even more immediately apparent natural aptitude for the instrument.

Thames Television's version of the RSC Macbeth showed what simple yet marvellous things can be done with Shakespeare on the small screen.

A casual pre-concert glance at the five programmes suggested that this year's selection of works ranges perhaps less widely, and perhaps less stimulatingly, than in the recent past...

Miss Wrigley, a pupil of Bernard Roberts, confined herself to modern French classics—five of the Debussy Studies, and three of Messiaen's Vingt Regards.

Elizabeth Hall Michel Dalberto by DOMINIC GILL I disagreed profoundly with the jury's decision last September at the Leeds International Piano Competition...

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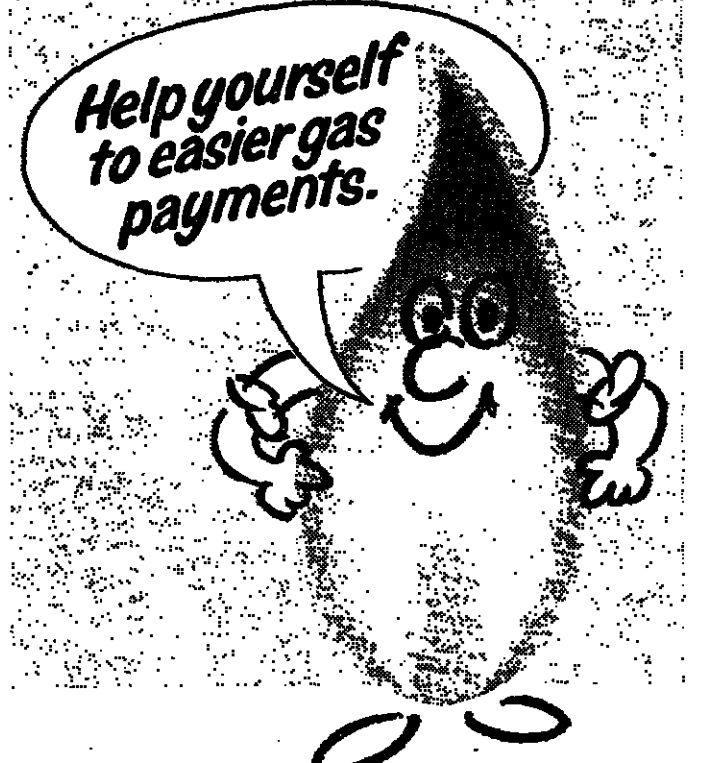
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September, 1978



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Wednesday January 10 1979

The omens for a Communist federation in Indochina

BY DAVID HOUSEGO, ASIA CORRESPONDENT

Public sector principles

BEFORE THE TENSE preliminaries now in progress about public sector pay have had time to surface in open disputes, the unions concerned with the public services have joined forces to present their views on the right way to plan public services. They have produced some helpful thoughts on the difficulty of planning public services, but have also inadvertently explained why public sector pay claims, even in a year of irresponsibility, have a special flavour of cloud-cuckoo land.

Services provided

The central complaint of the unions is that the planning of public spending is presented almost exclusively in financial terms. There is no attempt to describe and measure the services actually provided. Services, they argue, should be explicitly planned in relation to changing demands and changing needs, and set out appropriately—the number of children educated, the effectiveness of police cover, and so on. If financial stringency demands a rise in the rate of infant mortality, they say, the fact should be made explicit, so that Parliament can take decisions with its eyes open. One might less emotively substitute potholes in the roads, or longer delays in answering Government letters; the principle is sound enough.

Unfortunately the unions—which demand predictably enough to be consulted about everything at every stage—no sooner introduce one sound principle than they throw out another. Everything is stated in terms of services provided and jobs created or preserved. There is not only no mention of wages or money costs, but a specific call for the abolition of cash limits. In other words the unions, which accuse Parliament in effect of planning services on a cost basis only, which is at most a half-truth, now demand planning in "real" terms only, with no regard to financial cost, which is pure moonshine. It is little wonder that unions who think like this can demand 30 per cent to restore ancient differentials or 40 per cent for "fair pay," with no sense of absurdity.

The fact is, as the unions well know, that before cash limits

THE Vietnamese would have the world believe that there has been little more than a change of government in Cambodia, and one for the better. In their view, the brutal regime of Premier Pol Pot has been replaced by a nationalist administration that seized power in a liberation struggle and which is now pledged to reverse Pol Pot's draconian policies.

In fact, of course, Vietnam's lightning invasion of Cambodia—a campaign that has made it effective master of most of the country in under three weeks—amounts to a redrawing of the map of Indochina. The new Cambodian regime has established an eight-member Revolutionary Committee to run the country under President Heng Samrin, 44, a military commander under Pol Pot who tried to overthrow him in May last year. But it will be even more under the shadow of Hanoi than the feeble government in neighbouring Laos. Vietnam has some 40,000 troops in Laos to prop up the Communist Pathet Lao administration which has failed to establish a grip on the country since it took power over three years ago.

Ho Chi Minh's old dream

To the member states of the Association of South East Asian Nations (ASEAN), this consolidation of the three states under the wing of Vietnam looks suspiciously like the fulfilment of Ho Chi Minh's old dream of a Communist Indochina federation. As such it has re-awakened all the ASEAN states' fears after the collapse of Saigon in 1975 and the American withdrawal, of a militant communist bloc in South East Asia hostile to their own form of government and a threat to their security. Events could certainly turn out this way.

But one of the most striking features of the last three years in South East Asia has been the contrast between the comparative success of the ASEAN states in managing their economies and internal affairs and the continual squabbling between the Indochina states whose economies have fast been slipping downhill. The ASEAN members have notched up annual growth rates of about 6 per cent and until now have enjoyed relative political stability. The Indochina states have failed to put down resistance to their regimes; and to the disruptions of war and the "socialist" reorganisation of their economies have been added disastrous floods and drought.

Vietnam now has on its hands not only the problems of reviving its economy and reconciling the South to rule by Hanoi; it is potentially bogged down in garnering both Laos and Cambodia. The Vietnamese seem to be deeply unpopular in Laos and Hanoi has had to send home some of its soldiers who have

got involved in quarrels with the local population. They were disliked just as much in the last century, when the French brought in both Vietnamese workers and later soldiers to put down a tribal rebellion. The history of Khmer (Cambodian) hostility to the Vietnamese runs even deeper.

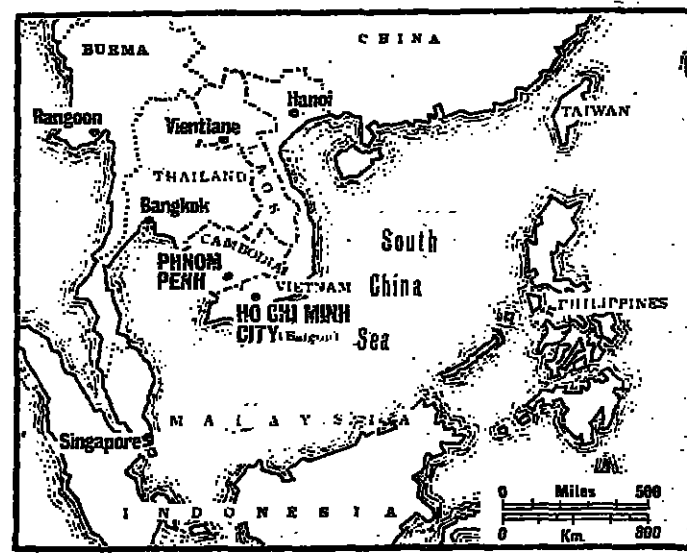
In handling this potential unrest and in reviving development projects, Vietnam's task will be made more difficult by the increased isolation from its South East Asian neighbours and the major industrialised states that is likely to be the immediate price of its invasion. Donor nations like Japan have already said they will review their aid programmes to Vietnam—though in Japan's case there are practical problems to a sizeable cutback—and Vietnam can rule out the help from the U.S. which has seemed on the cards. That leaves as its only major source of assistance the Soviet Union and the Comecon bloc, which are short of funds themselves.

At first glance the complexity of shifting governments and frontiers in Indochina looks like an insoluble jigsaw puzzle. But in fact the main divisions are surprisingly clear and have had a long historical continuity. Khmer (Cambodian) national pride has its roots in the immense Angkor kingdom which, in the early centuries of this millennium under the ancestors of Prince Norodom Sihanouk, covered one of the largest territories in South East Asia and left as a monument to its civilisation the magnificent temple of Angkor Wat. But after the 18th century the kingdom prey to expansion by Thailand from the west and Vietnam from the east until the French, in the mid-19th century, salvaged the Cambodian state through establishing a French protectorate.

Thailand is the one South East Asian state that escaped European colonisation and developed its distinctive national culture through a succession of kingdoms which at the height of their power pushed across Cambodia and Laos to challenge the Annamite empire of Vietnam. Continuing Thai apprehensions of Vietnam were reflected in Thailand's decision to let the Americans use it as a staging post for the bombing of Vietnam.

Vietnam had its origins 2,000 years ago in a small state in what is now the north of the country. Much influenced by Chinese civilization but resentful of repeated Chinese invasions, the Annamite rulers developed an increasingly powerful state that pushed southwards to the river bowl of the Mekong delta and westwards as far as Laos—the smallest state on the peninsula and which has repeatedly seen its independence lost to Thai, Cambodians and Vietnamese.

For the Chinese, Vietnam— and indeed Indochina—has always seemed an area over which they had the right to either influence or suzerainty. In



the past they would have resented Vietnam's pretensions to the leadership of an Indochina federation as they do today; and in the 19th century they equally resented European colonisation of the peninsula as they now object to Russian intrusion there.

This pattern of continuing rivalry was frozen by the French colonisation of the last century and more recently by American intervention. After the Second World War, North Vietnam emerged as the only South East Asian state to be Communist-led. The movement spread to Cambodia and Laos, giving an impression after the U.S. defeat in 1975 of a unity among the Communist states that there actually was.

But alarm at the possibility of an expansionist Communist movement caused other South East Asian leaders to club together to form ASEAN in 1976 as a vehicle for economic co-operation but also for consulting on mutual security. One of the effects of Vietnam's invasion of Cambodia is likely to be to strengthen the so far muted security side of the Association.

Everything has gone wrong

Almost since the end of the Indochina war, everything has gone wrong for the Communist states. The Khmer Rouge regime in Cambodia attempted a social and economic revolution that emptied the towns and left misery in the countryside. Under Pol Pot's fundamentalist philosophy Buddhism was banned, money abolished, marriages fell under the control of the state, which organised the family unit, the population was shifted in large numbers to agricultural areas to build dams by hand while industry was spurned. Tens, possibly hundreds, of thousands of people died.

But in addition to provoking this domestic upheaval, Pol Pot became involved in a succession of quarrels with Vietnam. Armed clashes occurred in 1976 over border districts—where the population was often mixed

Cambodian/Vietnamese—and over the ownership of islands in the Gulf of Siam. Vietnam agreed to return these to Cambodia.

Then last year came particularly brutal attacks by Cambodian forces on Vietnamese villages and towns in the Mekong Delta region between Xa Mear and Ha Tien. Bodies of Vietnamese were left badly mutilated. The Vietnamese temporarily abandoned parts of this fertile region. How the conflict escalated is still not clear. Pol Pot may have been pursuing a hard-fisted chauvinist policy and he was almost certainly encouraged by the Chinese, who saw Cambodia as a counterweight to Vietnam. The Vietnamese equally provoked the Cambodians by incursions of their own. About 150,000 refugees from the Pol Pot regime moved across the border—many of whom became recruits for the insurgency movement that the Vietnamese began to promote. By December 1977 the conflict came out into the open as the two sides publicly attacked each other.

At some point after that, the Vietnamese leadership must have decided that Cambodia under Pol Pot had become too great an irritant and that he had to be removed. They set about the operation using the same careful planning with which they conducted the war against South Vietnam, slowly grinding down the Cambodian forces in battles in the Parrot's Beak and Fish Hook areas before launching their major offensive that carried them to Phnom Penh.

Vietnam might not have resorted to such a drastic solution had it not had such major domestic political and economic troubles. The irritant of Cambodia—and the belief that China would go on exploiting it—proved too much. Victory in the Indochina war ended the drain on the economy of the north, but it also meant the end of U.S. aid pumped into the south. Hanoi sought both to pursue a policy of reconstruction and of socialist transformation. Large numbers of people were moved from cities in the South—above all Hu Chi Minh city (Saigon) to

the New Economic Zones and collective farms. Industry and commerce were increasingly turned over to the state. The educated bureaucracy of the south was shipped off to re-education centres and the administration put in the hands of northerners often unqualified for the job but who irritated southerners by their ostentatious living styles.

On top of this dislocation came three exceptionally bad harvests as the result of drought, heavy rainfall and flooding. There was a 2m ton shortage of rice in 1977 which doubled last year. More stringent rationing was imposed which led to the spread of the black market—largely in the hands of the Chinese, who are the traditional commercial class. In increasingly desperate economic circumstances, the Vietnamese looked more and more to the U.S. dropping their demands for war reparations as a prelude to normalising relations, and seeking aid and investment. But they had no joy.

At the same time as Vietnam's conflict with Cambodia grew, so the Chinese created a diversion by increasing their forces on the border with Vietnam. This was partly in response to what the Chinese considered as unprovoked Vietnamese action in forcing ethnic Chinese out of Vietnam. But the combination of growing Chinese hostility and a deteriorating economy finally forced the Vietnamese to turn more to the Russians and to Comecon. In retrospect the 25-year Treaty of Friendship signed at the end of last year was more an attempt by the Vietnamese to safeguard themselves against reprisals from China after the invasion of Cambodia, than a vehicle of increased aid.

One of the ironies of the present situation is the clumsiness with which the Chinese have handled their diplomacy in Indochina. Well before the collapse of Saigon, friction had developed between China and Vietnam—particularly over President Nixon's visit to China in 1972. But in their attempts to counter Vietnam's influence, the Chinese first allowed themselves to be drawn into supporting the Pol Pot regime to a point they found embarrassing and then demonstrated to the rest of South East Asia that they could not protect it. As a result of such blunders, the Thais will look very carefully now at Chinese proposals for supplying guerrilla supporters of Pol Pot through Thailand, which provide the only means of access to the interior of Cambodia. The Thais are also irritated by Chinese support for the Thai Communist party.

Vietnam already has a Treaty of Friendship with the third member of the federation, Laos. The pattern this has established of close government co-operation in which officially the identity of nation state is preserved is likely to become the model of

Vietnam's relations with Cambodia. Vietnam has been increasingly drawn into Laos—initially probably against its better instincts by the threat of the Pathet Lao regime being overthrown and the country's need for economic assistance.

The potential of such a Communist federation is that it could exploit one of the richest river basins in the world through harnessing the Mekong river. But to the ASEAN states it threatens a polarisation in South East Asia between conflicting political and economic systems. The weakness of the ASEAN nations is their lack of homogeneity and the potential fragility of their social structures. Malaysia is beset with a serious communal problem between its Chinese and Malay inhabitants, as to a lesser extent is Indonesia.

Vulnerable Thailand

By far the most vulnerable state in the new situation, however, is Thailand. The policy of its leader, General Kriangsak Chamanah, has been to seek an accommodation with the Communist states—but this may prove increasingly difficult with the Chinese army positioned on his border. The more hard-line military commanders would probably like to see Thailand encouraging insurgency against the new Cambodian regime, though for the moment they seem to accept the Vietnamese invasion as a fait accompli.

A casualty of the invasion will almost certainly be the elections under the new Thai constitution scheduled for April but which the military might now think could provide a dangerous explosion for extremists on both sides.

Vietnam, even before it has consolidated its military position in Cambodia, now seems prepared to hold out the olive branch in an attempt to regain friends and investment. Both the ASEAN nations and the West are likely to treat this with suspicion. The price of its invasion will almost certainly be a period of increased isolation in which it will be tempted to turn increasingly to Russia for help. The Russians want naval base facilities at Cam Ranh Bay on the South China Sea and could press for these as the price of further assistance.

Though all the major powers are anxious to avoid becoming embroiled in another costly morass in South East Asia, the area seems to have a knack of drawing outside powers into its disputes. The French came with the obvious intention of turning them to colonial advantage. The Americans got drawn in during the 1960s—almost without noticing it. At the moment China is putting first priority on developing its economy rather than in settling scores in Indochina. But with the Russians, the Chinese and the Americans having a stake in the region, the danger of conflict is always there, however remote.

Western aid for Turkey

IT HAS TAKEN the West a long time to wake up to the full implications of the crisis that is threatening to engulf Turkey. The country's economic problems have long been well known. But until quite recently the prevailing view has been that they could be resolved by classic methods of international funding through the IMF and debt rescheduling. When NATO Governments decided last May to look into the problems facing the weaker members of the Alliance, Turkey was seen as sharing equal priority with Portugal and Greece. In the past few weeks, however, the pace of events has quickened and the rapid putting together of a special emergency aid package for Turkey is evidence of the new sense of urgency now felt in Western capitals.

Upheaval

The Turkish Government may not be satisfied with the scale of the effort, of which it is expected to be informed by Mr. Warren Christopher, U.S. Under Secretary of State in Ankara today. But it should at least be reassured that Turkey's problems are being taken seriously by its allies at the highest level. There is now a growing recognition in NATO that Turkey faces not merely the threat of economic collapse but potentially large-scale political and social upheaval which could jeopardise its position as a member of the Western alliance. The risk was tacitly acknowledged at the Alliance's pre-Christmas Ministerial Council, which gave the go-ahead for an unprecedented economic aid effort for Ankara. The clear message was that Turkey's economic difficulties had reached the point at which they were threatening the security of the entire Alliance.

The reasons for the sudden increase in Western anxiety are not difficult to find. The Iranian crisis has in many ways overshadowed developments in Turkey. But it has at the same time dramatically underlined the instability of the area bordering the Soviet Union from the Bosphorus to Afghanistan. If further warnings were needed, it was provided by the Christmas riots in Eastern Turkey which left 100 dead and obliged Mr. Bulent Ecevit, the Prime Minister, to declare

martial law in 13 of the country's 67 provinces.

The West's fear is not so much that Turkey will suddenly decide to leave NATO, dismembering the Alliance's Eastern flank, and embrace either neutrality or a new relationship with the Soviet Union. Mr. Ecevit has uttered dark warnings over the past 12 months of possible changes in the country's defence posture. But he has never spelled out what this might mean in practice and the main purposes of such warnings would in any case appear to have been achieved—he has secured the removal of the American arms embargo, and, now, substantial extra economic aid. What really worries the West is the possibility that Mr. Ecevit might lose control and the country collapse into anarchy or civil war.

Mr. Ecevit maintains that he can only preserve democracy in Turkey if large-scale Western aid is forthcoming. If he is right, then it is obvious that such aid must be given—even if it means bending the normal rules of IMF supervision. It would also be helpful if the EEC countries could show a greater sensitivity towards Turkey's feelings in the wake of their decision to negotiate Greece's entry into the Community as its tenth member. It is quite understandable, even if misguided, for Turkey to draw the conclusion that the Community will henceforth side with Greece in the seemingly interminable series of disputes between the two countries.

Solidarity

But if the case for helping Turkey is overwhelming, there is also plenty that Ankara can do to reciprocate. It is high time for solutions to be found to the festering Aegean demarcation dispute with Athens and the related issue of Greece's reintegration into NATO's military framework. Neither side is blameless in the continued stalemate over Cyprus, but it would not be difficult for Ankara to show itself a little more willing to find a lasting solution. Both Cyprus and the Aegean are causes of serious concern to the other NATO allies. Turkey is entitled to expect that alliance solidarity should not be only a one-way process.

MEN AND MATTERS

Split up—and sell up

The financial consequences of plunging into divorce are now even more punishing for German executives than for their counterparts in Britain. The Dusseldorf financial consultants, Interfinanz, say in their 1978 report: "It is virtually impossible for a businessman to divorce his wife without having to sell his business." The new divorce laws, says Interfinanz, require liquidity on the grand scale.

Nor do the divorcees' troubles end there. "It is no longer sufficient that one can call a company with a turnover of more than DM 2m. Cartel legislation often requires a special permit. A special catch applies if you want to throw in the towel. "It is hardly possible," says Interfinanz, "to dissolve a firm with a workforce of 100 without causing bankruptcy for the employer because of statutory redundancy payments."

In lighter vein, after its tour round the year's bad news, Interfinanz ends with a fresh definition of hell. It is a place where "The English produce the pop music, the Americans the architecture, the red Chinese the fashion, the Italians the budget, the Russians the hotel service, the Dutch the ethics, and the Bonn Ministry leaders a new cartel law every year."

Two wheel deal

The public appearance of Transport Minister William Rodgers this morning will be unexpectedly topical. It may also give a modicum of inspiration to Southern Region commuters kept from work by the ASLEP strike.

After Rodgers has climbed off his saddle, a Government film will be shown in a nearby cinema, also quite appropriately, it is called "Free Wheeling." Perhaps the Minister's message to Britain today will be: "If all else fails, buy a bike."

Fast version

Having welcomed a plethora of new versions of the Bible since the war, the Church of England obviously felt it was unreasonable to disapprove of a proposed Reader's Digest condensed version. The condensors, who have stripped away the "inessentials" from most of the classics, are planning to get the Bible down by 40 per cent, at least some of which will be the long stories of begotten. "If it led to increased reading of the other 60 per cent," said a church spokesman guardedly, "I can't help feeling a good many church people would think it very worthwhile."

Brown studies

When Mervyn Brown flies to Lagos at the end of this month to take up the post of British High Commissioner to Nigeria, he will be starting a spell of willing bachelorhood. His wife Beth will stay in London to complete a Ph.D. on cancer cells at the Chester Beatty Research Institute in Fulham.

The Browns met as undergraduates at Oxford in the 1940s. Then she was reading modern languages, but in the course of a diplomatic life that has taken them to places as far apart as Argentina and Laos, she has gained two medical degrees. "Beth will come out for holidays," says Brown philosophically. He will occupy himself with fostering the links between Britain and Africa's most populous country and playing jazz on his clarinet. "Jazz has its roots in West Africa," he points out. Although his Far Eastern experience included a spell as



... and now an action replay of that Office of Fair Trading decision.

a prisoner of the Pathet Lao, Brown regards Africa as his foremost area of expertise. Last month he had a book published on Madagascar and fancies that he may write a longer one on the same island during his stint in Nigeria.

Macho men

A cosy vision of togetherness emerges from the report on last year's bids and deals from merger midwife Nicholas A. H. Stacey, deputy chairman of Chesman Amalgamations and Investments. Takeovers, he says, grew apace to over 500, and their value in 1978 was a good billion pounds. "An interesting feature of the 'takeover' business during the past year or so," asserts Stacey, "has been the virtual absence of any company chairman hell-bent on fighting contested bids, and anxious to demonstrate his virility."

Stacey even seems a little wary of the word "takeover," fencing it in with inverted commas, and pointing instead to "leisurely conversation about getting together."

and Deals 1978. One is that the amiable public surface has more to do with steering mergers past the Office of Fair Trading than with any new-found friendliness between predator and prey.

There was, I seem to remember, a distinct absence of cooing noises during Lonrho's strenuous efforts to take over SUITS. Nor has the New Year woken up to a chorus of agreement between Guthrie's and Sime Derby, and the English Property Corporation is preparing to fight off the unpromising NV Belegingsmaatschappij Wereld with less than leisurely gusto.

Coin clearance

Any bank manager might suffer the embarrassment that confronted Malcolm Parkinson, manager of a Barclays branch in Plymouth. All the night safe bags became jammed in the chute. Either the throat was too narrow, or the bags were overfilled with coins of the realm.

Parkinson sent for the local Dyno-Rod men, whose usual activity is unblocking drains. "All we asked was that they should use clean rods," he says. After a lot of poking about, the drains man cleared the chute. They said it was the cleanest job they had ever done.

Oil shark

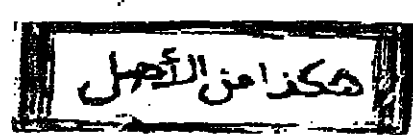
A story going the rounds of motorway service stations concerned a garage in Guildford where, on Saturday, an instant queue formed after a tanker was sighted arriving. Soon enough, a man in a white coat appeared on the forecourt and explained to each motorist in turn that unfortunately, petrol would have to be rationed to £1-worth each. On this basis he extracted £1 from every car in return for a cloakroom-ticket receipt. The rest you can guess.

Observer

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FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF INTERNATIONAL BOND DEALERS

At 29th DECEMBER, 1978



Eurobonds in December

BY JOHN EVANS

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues...

The Eurodollar bond market remained in an anaemic state in the closing month of the year...

Reflecting this shift away from dollar-denominated bonds, the league-table of lead managers...

Deutsche Bank continues to dominate the market, with 75 issues led or co-managed last year...

with the exception of the "special category" investment house, Credit Suisse First Boston...

As for borrowers, Europe continues as the main area issuing Eurobonds...

This reduced share taken by Europe, as well as the absolute decline in the number of Eurobond issues...

According to estimates, the current account of the OECD countries shows a surplus of \$8bn in 1978...

Among the limited number of new issues, a \$50m offering from Norsk Hydro at 9 1/2 per cent via Hambros proved a relative success...

As for borrowers, Europe continues as the main area issuing Eurobonds...

This reduced share taken by Europe, as well as the absolute decline in the number of Eurobond issues...

According to estimates, the current account of the OECD countries shows a surplus of \$8bn in 1978...

Such was the year-end gloom in the dollar sector as a whole that even floating rate notes (FRNs) did not escape entirely unscathed.

A \$100m floater for Bank fuer Gemeinwirtschaft, with a margin of 1/2 per cent over interbank rates and pricing of par, re-treated sharply in first-time trading.

For Deutschmarks, the month's highlight was the offering of so-called "Carter bonds" in the German capital markets.

This split-maturity issue, carrying coupons of 9 1/2 and 9 per cent, fell to a deep discount in after-market trading.

The month's clear-cut success was the relatively rare Swiss corporate borrowing in the dollar convertible market.

Short-term interest rates continued to climb, presenting the professional market with severe problems in financing their inventories of bonds.

By the year-end, a further decline in the dollar in response to the price increases for 1979 agreed by OPEC states in Abu Dhabi resulted in a fresh retreat by prices.

the banks which had planned to bring new issues to convince the borrowers concerned to concede better terms, in view of these market conditions.

But where higher yields were offered, bonds moved well. Deutsche Bank, for instance, increased the size of its Republic of Brazil issue to DM 150m.

The lessons of December, however, have been learnt, and the West German capital markets subcommittee has set a flexible loan calendar for January of a maximum DM 1.1bn compared with December's DM 1.6bn.

Elsewhere, the expanding Kuwaiti dinar bond market enjoyed a coup with the launching of a KD 10m issue for the City of Oslo, the first top-quality borrower in this market for some years.

This was rapidly followed by another good quality borrower, Industrial Bank of Finland, whose issue was increased to KD 5m from KD 3m, following a good reception.

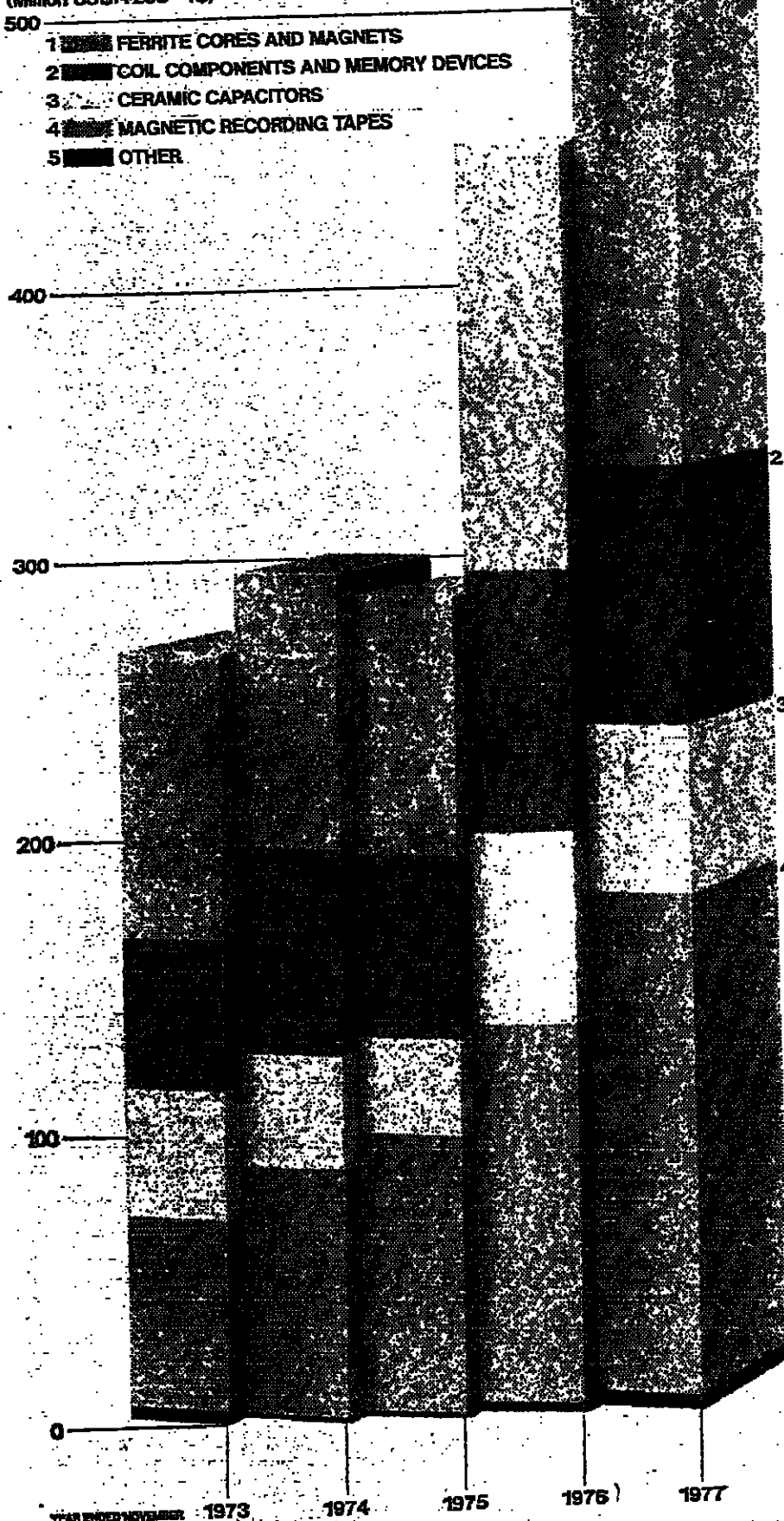
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The table of quotations and yields gives the latest rates available on 29th December, 1978. This information is from reports from official and other sources...

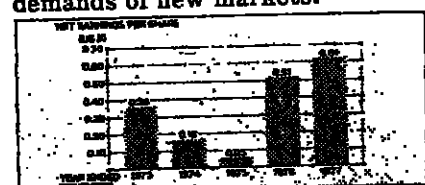
The magnetism of growth.

SALES PERFORMANCE BY PRODUCT CATEGORY (Million US\$ '200=15)



TDK is one of the world's largest manufacturers of ferrite materials and components, and magnetic recording tapes. In 1935, we started production of ferrite, a basic magnetic material which spawned a whole range of successful products over the following four decades.

The proof of their success is in our growth: sales have increased at a compound annual rate of 18.4% over the last five years, net earnings at 17.4% and earnings per share at 14.1%.



Ferrite cores and magnets. These products, used mainly in televisions, videotape recorders, radios, audio and communications equipment, have recorded compound annual sales growth of 18.4% over the last five years.

Ceramic capacitors. Strong sales of ceramic capacitors for use in a variety of electronic products including watches and microwave ovens have resulted in compound annual sales growth of 8.6%.

Magnetic recording tapes. At 26.6% annually, this has been the fastest growing sector of the company. Audio fans have benefited from our innovations in magnetic materials.

Continuous introduction of high value-added products has increased sales at 15.0% annually. With a relatively short life cycle, we have placed emphasis on anticipating trends in such diverse markets as lighters, cameras, televisions and computers.



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Table of financial data including bond yields, interest rates, and market indicators. Columns include various financial metrics and their corresponding values.

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Austrian Quotes Quotations and Yields of Austrian Eurobonds

Table of Austrian Eurobonds with columns for Issue, Coupon Dates, Repayment, Sinking (Starting), Price (Bid/Asked), Current Yield, and Current Yield to Maturity.

On international capital markets Austria ranks as Triple A. For knowledgeable investors, Austrian securities are particularly safe and attractive investments. Girozentrale Vienna Market Maker in Austrian Eurobonds.

US DOLLARS-UNITED STATES (CONTINUED)										US DOLLARS-UNITED STATES (CONTINUED)										US DOLLARS-UNITED STATES (CONTINUED)									
ISSUER	COUPON MATURITY	PRICE	YIELD	AMOUNT	REDEMPTION DATE	ISSUER	COUPON MATURITY	PRICE	YIELD	AMOUNT	REDEMPTION DATE	ISSUER	COUPON MATURITY	PRICE	YIELD	AMOUNT	REDEMPTION DATE	ISSUER	COUPON MATURITY	PRICE	YIELD	AMOUNT	REDEMPTION DATE						
20.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06						
20.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06						
20.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06						

US DOLLARS-UNITED STATES (CONTINUED)										US DOLLARS-UNITED STATES (CONTINUED)										US DOLLARS-UNITED STATES (CONTINUED)									
ISSUER	COUPON MATURITY	PRICE	YIELD	AMOUNT	REDEMPTION DATE	ISSUER	COUPON MATURITY	PRICE	YIELD	AMOUNT	REDEMPTION DATE	ISSUER	COUPON MATURITY	PRICE	YIELD	AMOUNT	REDEMPTION DATE	ISSUER	COUPON MATURITY	PRICE	YIELD	AMOUNT	REDEMPTION DATE						
20.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06						
20.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06						
20.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06	30.00	1973	100.75	9.79	9.38	9.06						

مركزنا للتحويل

January 10 1979

مكتبة الامم المتحدة

Table with columns for currency, bank name, and interest rate. Includes sub-sections for 'US DOLLARS - FLOATING RATE (CONTINUED)' and 'CANADIAN DOLLARS (CONTINUED)'.

Table with columns for currency, bank name, and interest rate. Includes sub-sections for 'US DOLLARS - FLOATING RATE (CONTINUED)' and 'AUSTRALIAN DOLLARS (CONTINUED)'.

Table with columns for currency, bank name, and interest rate. Includes sub-sections for 'EUROPEAN DOLLARS (CONTINUED)' and 'EURO DOLLARS (CONTINUED)'.

Table with columns for currency, bank name, and interest rate. Includes sub-sections for 'EURO DOLLARS (CONTINUED)' and 'EURO DOLLARS (CONTINUED)'.

Table with columns for currency, bank name, and interest rate. Includes sub-sections for 'CANADIAN DOLLARS (CONTINUED)' and 'EUROPEAN DOLLARS (CONTINUED)'.

Table with columns for currency, bank name, and interest rate. Includes sub-sections for 'EUROPEAN DOLLARS (CONTINUED)' and 'EUROPEAN DOLLARS (CONTINUED)'.

Table with columns for currency, bank name, and interest rate. Includes sub-sections for 'EUROPEAN DOLLARS (CONTINUED)' and 'EUROPEAN DOLLARS (CONTINUED)'.

Table with columns for currency, bank name, and interest rate. Includes sub-sections for 'EUROPEAN DOLLARS (CONTINUED)' and 'EUROPEAN DOLLARS (CONTINUED)'.

EUROBOND ISSUES (CONTINUED)		EUROBOND ISSUES (CONTINUED)		EUROBOND ISSUES (CONTINUED)		EUROBOND ISSUES (CONTINUED)		EUROBOND ISSUES (CONTINUED)	
ISIN	ISSUE DATE	PRICE	YIELD	ISIN	ISSUE DATE	PRICE	YIELD	ISIN	ISSUE DATE
100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK
100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK
100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK

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JAPANESE DOLLAR DEPOSITARY RECEIPTS

Names Close at 29/12/78

HONDA	\$241
ITO YOKADO	\$891
JUSCO	\$591
KOMATSU FORKLIFT	\$3.37
KUBOTA	\$291
MAKITA	\$331
MURATA	\$5.00
NIPPON MEAT PACKERS	\$3.17
PIONEER	\$88
RENEWON	\$3.53
SONY	\$8.51
TAISHO MARINE	\$121
TDK	\$91
TOKYO SANYO	\$1.70
TRIO	\$291
WACOAL	\$241

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolio.
Quotations & Yields as at 31st Dec., 1978

SOCIETE GENERALE DE BANQUE

BANQUE GENERALE DU LUXEMBOURG

Fund	Price	First Issue	Yield	Div. Date
Capital Rentinvest	LuxFr 1365	LuxFr 1000	8.30	20-Nov (67)
Capital Rentinvest	LuxFr 1418	LuxFr 814	8.14	LuxFr 918
Capital Rentinvest	LuxFr 912	LuxFr 1286	8.14	LuxFr 1064

EUROBOND ISSUES (CONTINUED)		EUROBOND ISSUES (CONTINUED)		EUROBOND ISSUES (CONTINUED)		EUROBOND ISSUES (CONTINUED)		EUROBOND ISSUES (CONTINUED)	
ISIN	ISSUE DATE	PRICE	YIELD	ISIN	ISSUE DATE	PRICE	YIELD	ISIN	ISSUE DATE
100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK
100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK
100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK	101.50	8.25	100.00	1978 ADRIAN DEVELOPMENT BANK

مركز الأبحاث

WestLB Euro-Deutschmarkbond Quotations and Yields

Main table of WestLB Euro-Deutschmarkbond Quotations and Yields. Columns include Issue, Middle Price, Current Yield, Life, Yield to Maturity, and Repayment. The table lists numerous international bonds from various countries like Germany, France, Italy, and others.

WestLB Euro-Deutschmarkbond Yield Index

December 28th, 1978: 6.36%

Table showing the WestLB Euro-Deutschmarkbond Yield Index for December 28th, 1978, with a value of 6.36%. It lists various bond issues and their corresponding yields.

WestLB advertisement for current prices and further information. Contact details for Düsseldorf, London, and Luxembourg offices are provided, along with telephone and telex numbers.

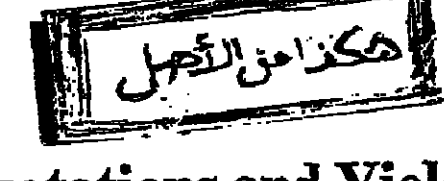
WestLB advertisement for Westdeutsche Landesbank Girozentrale, identified as leading marketmakers in Eurobonds.

WestLB SD Certificates (Schuldschein-Index)

4 years maturity: 6.20% 5 years maturity: 6.50%

Table of WestLB SD Certificates (Schuldschein-Index) for 4 and 5 year maturities. It lists various certificates and their yields.

Vertical text on the left margin: 'ADDITIONAL RECEIPTS', 'RY RECEIPTS', 'FUNDS', 'LUXEMBOURG'.



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Market Makers in Floating Rate Note Issues

The interest rates per annum applicable to the following US\$ Floating Rate Note Issues were announced during December. These rates are quoted for information purposes only, and should be confirmed prior to the execution of a specific transaction. The rates quoted apply to the six-month periods shown.

I.B.T. Finance	1985	1 Dec. 78	1 June 79	12 1/2%
Bayrische Veres'bk	1981	1 Dec. 78	1 June 79	12 1/2%
Andelsbanken	1984	4 Dec. 78	4 June 79	12 1/2%
U.A.B.F.	1981	5 Dec. 78	5 June 79	12 1/2%
S.O.F.T.E.	1984	7 Dec. 78	7 June 79	12 1/2%
U.B.A.F. (Min. 7 1/2%)	1982	7 Dec. 78	7 June 79	12 1/2%
Paribas	1980	11 Dec. 78	11 June 79	12 1/2%
Bank Handlowy	1981	12 Dec. 78	12 June 79	13 1/2%
Banque Worms	1985	15 Dec. 78	15 June 79	12%
C.N.C.A.	1984	15 Dec. 78	15 June 79	12%
D.G. Bank Finance	1982	15 Dec. 78	15 June 79	12%
Long Term Cred. Bk.	1981	15 Dec. 78	15 June 79	12%
Creditanstalt Bkvrn	1981	18 Dec. 78	15 June 79	12 1/2%
Natnl. Westminster	1990	21 Dec. 78	21 June 79	12 1/2%
Urquijo Intl.	1981	21 Dec. 78	21 June 79	12 1/2%
Cred. Com. de Frnce	1981	22 Dec. 78	22 June 79	12 1/2%
Hydrocarbons Bank	1982	22 Dec. 78	22 June 79	13 1/2%
Cred. Lyon. (Min 6 1/2%)	1983	24 Dec. 78	24 June 79	13%

Interest rates applicable to the issues listed below will be announced during January:

Nacional Financiera	1985/93
Privredna Banka	1985
Credit Commercial de France	1983
O.K.B.	1983
Adela Investment Co.	1983
Credit Commercial de France (Min. 7%)	1983
Credit National	1983
B.I.A.O.	1983
Indosuez	1981
Ljubljanska Banka	1985
Offshore Mining	1986
Banque Nationale de Paris	1983
Bco de la Nacion Argentina	1983
Kansallis Osake Pankki	1983
Midland Int'l Finance	1983
Indosuez	1985
Long Term Credit Bank	1982
African Development Bank	1983
Chase Manhattan	1983
G.Z.B.	1981
Insitico Corpn.	1980



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- 235 Banque de l'Union Européenne
- 235 Banque Louis-Dreyfus
- 205 Banque Nationale de Paris
- 210 Crédit Commercial de France Paris
- 215 Crédit Lyonnais
- 218 E. F. Hutton Services S.A.R.L.
- 220 Internation-Banque
- 270 Smith Barney Harris, Upham & Co. Inc.

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- 305 Deutsche Bank AG
- 306 Dresdner Bank AG
- 307 Westdeutsche Landesbank Girozentrale
- 309 Creditanstalt Bankverein
- 310 Girozentrale und Bank der Österreichischen Sparkassen AG

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- 407 Banco Ambrosiano S.p.A.
- 408 Banco di Roma
- 415 Credito Italiano
- 420 Istituto Bancario Italiano
- 425 Istituto Bancario San Paolo di Torino
- 430 Monte dei Paschi di Siena

REGION 5 - LUXEMBOURG

- 505 Banque Générale du Luxembourg S.A.
- 510 Banque Internationale à Luxembourg S.A.
- 530 Bayerische Landesbank International S.A.
- 515 Dewaay Luxembourg S.A.
- 520 Kredietbank S.A. Luxembourggoise
- 530 Swiss Bank Corporation (Luxembourg)

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- 601 Algemene Bank Nederland N.V.
- 602 Amsterdam-Rotterdam Bank N.V.
- 603 Bank Mees & Hope N.V.
- 604 Barclays Kof & Co. N.V.
- 611 Centrale Rabobank Utrecht
- 612 Van der Hoop, Offers & Zoon N.V.
- 605 Bank Morgan Labouchere N.V.
- 610 F. van Lanschot
- 606 Nederlandsche Middenstandsbank N.V.
- 607 Nederlandse Credietbank N.V.
- 608 Pierson, Helderink & Pierson
- 609 Slavenburg, Oyens & Van Eeghen N.V.

REGION 7 - SCANDINAVIA

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- 740 Den norske Creditbank
- 750 Den Danske Bank of 1871 Aktieselskab
- 710 R. Henriques Jr. Bank-Aktieselskab
- 715 Kansallis-Osake-Pankki
- 720 Kjøpehandels Handelsbank
- 745 Postipankki
- 730 Privatbanken Aktieselskab
- 735 Skandinaviska Enskilda Banken
- 725 Union Bank of Finland (Nordiska Föreningsbanken AB)

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- 800 Bondpartners S.A.
- 805 Credit Suisse/Swiss Credit Bank
- 880 Swiss Bank Corporation
- 870 Union Bank of Switzerland

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- 903 Bank Julius Baer International
- 905 Bankers Trust International Limited
- 910 Banque Francaise de Credit International Ltd.
- 909 Chase Manhattan Ltd.
- 911 Citicorp International Bank Limited
- 912 Continental Illinois Limited
- 914 Credit Suisse First Boston Ltd.
- 913 Daiwa Europe N.V.
- 915 Dellec Trading Company Limited
- 920 Dillon, Read Overseas Corporation
- 922 Dominion Securities Limited
- 925 European Banking Company Ltd.
- 930 First Chicago Limited
- 931 Goldman Sachs International Corp.
- 932 Hambros Bank Limited
- 933 I.B.J. International Limited
- 934 Hill Samuel & Co. Ltd.
- 935 Klüber Peabody Securities Limited
- 938 Loeb, Rhoades
- 939 Kuhn Loeb Lehman Brothers Inc.
- 936 Manufacturers Hanover Limited
- 937 McLeod, Young, Weir International Limited
- 940 Merrill Lynch, Pierce, Fenner & Smith (Brokers & Dealers) Ltd.
- 941 Morgan Stanley International
- 945 Neshit, Thomson Limited
- 942 The Nikko Securities Co. (Europe) Ltd.
- 943 Nomura Europe N.V.
- 946 Orion Bank Limited
- 947 Salomon Brothers International Ltd.
- 950 Samuel Montagu & Co. Ltd.
- 955 Scandinavian Bank Limited
- 960 Strauss, Turnbull & Co.
- 962 Summit Finance International
- 964 Vickers, de Costa & Co. Ltd.
- 965 S. W. Warburg & Co. Ltd.
- 967 Wedel Durlacher Morant Ltd.
- 970 Westdeutsche Landesbank Girozentrale
- 975 White Weld Securities
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- 980 Wood Gundy Ltd.
- 990 Yamaichi International (Europe) Ltd.

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WestLB QUOTATIONS AND YIELDS

"Life" and "Maturity" appear in years and decimals of years and are—in this context—calculated as follows:
—to final maturity in case of a lump-sum repayment
—to final maturity in case of a sinking fund issue, whenever the quoted price is below 100
—to average life in case of a sinking fund issue, whenever the quoted price is above 100
P Private Placement (the smallest denomination may be larger than the usual DM 1,000 of public issue)
G Government Guarantee

After 75 years, EF Hutton & Company still has one name.

E.F. Hutton Today

Gross revenues surpassing \$400 million.

Total capital funds in excess of \$187 million.

Over \$8.5 billion of managed or co-managed financings in 1977.

More than 200 sales offices and 3600 account executives and other professionals.

Record total assets exceeding \$1.9 billion.

Profitable in each of 75 years since founding in 1904.

E.F. Hutton publicly traded on the New York Stock Exchange and Stock Exchange of London.

Dividend rate increased to 68 c per share. Dividend payment increased each year since the original public offering in 1972.

Average after tax return on equity of 20% since 1970.



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Creditanstalt—your partner in Austria for dealing in Austrian Schilling Bonds and International Bonds of Austrian issuers

Selected Austrian Schilling Bonds of Austrian issuers	Middle Price	Yield to average life	Current Yield	Redemption (mandatory drawings by lot)
maturity up to 5 years				
8 % Österreich 1973/B/81	101.30	7.60	7.90	15. 2.77-81 at 101.0
8 1/2% Österreich 1974/I/B/82	101.50	7.73	8.37	22.11.83-86 at 100.0
8 1/2% Österreich 1975/S/83	102.—	7.86	8.33	5. 3.76-83 at 100.0 to 101.0
8 1/2% Innsbruck 1974/B/82	101.75	7.84	8.35	19.11.75-82 at 100.5
8 1/2% Steyr-Daimler-Puch 1974/B/81	101.50	7.82	8.37	29.10.75-81 at 100.5

maturity over 5 years				
8 1/2% Österreich 1976/S/86	104.—	7.94	8.17	20. 2.81-86 at 101.5 to 104.0
8 % Österreich 1976/S/II/B/86	100.25	7.94	7.98	22.11.83-86 at 100.0
8 % Österreich 1977/S/B/87	100.25	7.93	7.98	15. 2.82-87 at 100.0
8 % Arlberg Straßentunnel 1977/B/85	100.25	7.90	7.98	29. 7.80-85 at 100.0
8 % Wien 1973/88	101.—	7.98	7.92	15. 5.74-88 at 101.0 to 101.5
7 3/4% CA-BV 1977/II/C/92	100.—	7.74	7.75	15.10.78-82 at 100.0
8 % Export 1978/B/93	100.25	7.92	7.98	11. 4.82-85 at 100.0
8 1/2% Energie 1975/II/B+S/85	104.25	7.96	8.15	29.10.79-85 at 103.5
8 % Energie 1978/B/87	100.25	7.94	7.98	1. 3.83-87 at 100.0
8 % VÖEST 1977/B/86	100.25	7.94	7.98	15.11.82-86 at 100.0

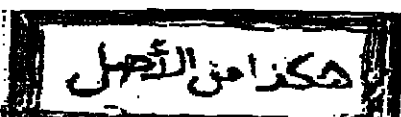
Selected US-\$ Bonds of Austrian issuers	
5 3/4% Alpine Montan 65/85	6 % Rep. of Austria 64/84
6 5/8% Austrian Electricity 66/86	6 3/4% Rep. of Austria 67/82
6 3/4% Austrian Electricity 67/82	8 3/4% Rep. of Austria 76/90
	8 1/4% Tauernautobahn 77/87
9 1/2% Österreichische Kontrollbank 74/79 in Austrian Schilling (traded in US-\$ only)	

Interest is payable without deduction for or on account of Austrian taxes.
For current prices and further information please contact:
For Austrian Schilling Bonds: Robert Jekl, Robert Wasinger (Telephone: 6622/1701 or 1707, Telex: 74261-63)
For International Bonds: Walter Vogl (Telephone: 6622/2222, Telex: 76948)
Code for Reuter Monitor Securities Program: CA DA, CA DB



Creditanstalt

Creditanstalt-Bankverein, Schottengasse 6, A-1010 Vienna.



The Scottish thorn in Singer's side

BY LISA WOOD

THE LATE Mahatma Gandhi learned to sew on a Singer sewing machine and when he was in jail he exempted the sewing machine from his ban on Western machinery. "It is," he said, "one of the few useful things ever invented."

For more than a century the leading developer of the sewing machine, is facing the culmination of problems which became apparent in 1975. The most acute of these has manifested itself at Clydebank, its 128-year-old enterprise in Scotland, which is the company's main manufacturing base for its overseas markets.

This morning the parent company is expected to make an important statement about the future of the Clydebank plant, which, with a history of poor labour relations and low productivity, has seen the development in the last six months of a deadlock between management and the workers about rationalisation plans.

In December Singer threatened to close the plant after workers rejected proposals which had been revised by the company in the light of a union-commissioned consultants' report. During the last 25 years there have been progressive cuts in the labour force at Clydebank which in 1954 employed 14,000 people and in 1964, in spite of cuts, still Scotland's single largest employer of labour.

In June 1978 Clydebank employed 4,800 workers. It was, and still is, Singer's largest and oldest overseas manufacturing plant with its production critical to the company's world strategy. About four-fifths of its annual output is exported, with about 40 per cent of exports serving the U.S. market, in spite of strong Japanese and, more recently, Taiwanese competition.

According to Singer, the landed cost in the U.S. of a

domestic Clydebank machine is at least 20 per cent higher than that of a Japanese competitor. The plant is accommodated in an old building which at present does every process in sewing machine production, from metal casting to painting.

Last June Mr. Joe Flavin, chairman and chief executive of the U.S. multinational, announced that 2,800 of the 4,800 jobs at Clydebank were to be cut as part of a four-year plan to restructure the operation.

At his meeting with the Clydebank workers, who are represented by 14 unions, one of which has two members, he spared few punches. The factory has been operating at a deficit for the past three years, with a loss in 1977 of £2.6m. The industrial sewing unit of the plant did not show a profitable year in the 1970s.

Blame

While laying some of the blame on his own company's poor performance, Mr. Flavin said the opportunity had existed for a positively motivated Clydebank workforce to increase efficiency and resolve union practices that impeded flexibility of the plant's operations.

Mr. Flavin said the facts led to only one conclusion—the phase out industrial sewing machine production from Clydebank by 1981 and concentrate production at the Singer plant in New Jersey in the U.S. which he said, "was a more efficient location."

Industrial needle production was to be halted in favour of a greater concentration on household needles. Clydebank's self-sufficiency was also under attack. Mr. Flavin said it was to be brought into closer contact with the three other Singer factories in Europe. These are Bouvieres, near Paris, Monza, near Milan, and Karlsruhe in West Germany.

Clydebank according to Mr. Flavin was to be the main production centre for a new line of four models of high volume lightweight domestic sewing machines at a cost of £8m.

The plan was "the only way to save Clydebank" said Mr. Larry Neely, general manager at Clydebank after the announcement. Not so, replied the union, which commissioned in August a £75,000 study, two thirds paid for by the Government's Scottish Development Agency, from PA Management Consultants, to analyse the company's worldwide restructuring and propose an alternative strategy for Clydebank.

The study's proposals, which if implemented, would have saved more than 750 jobs, formed the basis for Singer's revised proposals, given in December, for putting an extra £2m into the plant and saving some industrial machine production. But the plans, which included proposals for a new work structure and sub-contracting of work and extra production were turned down by the workers last month—in spite of shop stewards' and union backing. Singer warned employees, in a circular, that it would close the factory unless the decision was reversed.

Mr. Hugh Swan, convenor of Clydebank said: "As far as the workforce was concerned the conditions were unacceptable. We asked the workforce for an agreement in principle only over negotiating positions for the next 15 months."

So what has happened at Clydebank? Is it an intransigent workforce with a management that has bent over backwards to keep Clydebank going or is it a factory, starved of capital investment, which is being abandoned by a multinational, keen to discard its old and unprofitable businesses?

During the last four years

Singer of the U.S. has seen dramatic changes and at present is struggling to introduce a rapid recovery programme. In 1953 sewing machine production accounted for 91 per cent of Singer's turnover. Twenty years later it accounted for 50 per cent but by 1977 it had risen again to 54 per cent of company sales. This period of diversification, said to be necessary because of Japanese inroads into the sewing machine industry, caused serious financial problems for the company. It was Mr. Joe Flavin, appointed in the mid 1970s to his present post, who was responsible for taking Singer out of low return diversification and back into its three main areas of business: sewing, consumer and government products. The last two include furniture, power tools, vacuum cleaners, aerospace and marine systems, electronics and educational products. This involved a rationalisation of plants worldwide.

A plant producing industrial sewing machines in West Germany was closed in 1976, with a loss of 600 jobs. The plant was bought by Singer UK for £1.2m and transferred to Clydebank where it contributed to Clydebank's production and balance sheet problems.

Among the diversified interests which Singer abandoned was the international operations of Singer Business Machines which it sold to International Computers in 1976 and the U.S. side which it sold to TRW, a U.S. company after a £162m write-off.

A recovery programme began to take effect in 1976 and Singer's debt was reduced by over \$120m in 1977 with another \$34m scheduled to be paid off in 1978. This will leave debts of about \$428m, excluding the debt for its consolidated finance company.

But, according to Mr. Flavin last year, the foremost

Singer's problems was that while internationally (excluding North America and Europe) the future for sewing machines was bright, the mature U.S. and European sewing markets were suffering from the effects of strenuous competition, high costs and selective consumers.

Sales of Singer UK, went from £38.6m in 1971 to £74.8m in 1977. Exports in 1977 were £46.2m against £15m in 1971, but after taxes, there was a loss of £1.1m in 1977 and this, says Singer, was "attributable directly to the losses in the manufacturing operations (Clydebank) of £2.6m after taxes." Clydebank went from an after-tax profit in 1971 of £0.7m to a loss in 1977 of £2.6m. And it was Clydebank which was partly blamed by Singer for the company's worldwide loss of \$34m on industrial machines in the first six months of 1978.

Demand for industrial sewing machines is estimated to increase at a rate of only 1 per cent over the next four years. This would mean an increase of worldwide industrial machine sales from the 1.2m units achieved in 1977 to only 1.3m units in 1981.

Low-cost

Total industrial sewing machine production worldwide amounted to 400,000 units in 1977, of which Singer produced nearly 175,000 or 44 per cent. In the following 20 years worldwide production increased to 1.2m units of which Singer contributed a little over 100,000 units—only 10 per cent of the total. Japan now produces nearly 28 times as many industrial sewing machines as Clydebank, and has increased its world market share to 67 per cent through low-cost efficient production.

Japan is the most cost-

efficient manufacturer of industrial sewing machines in the world, as well as being the export leader and the main user of industrial machines. The total world market is estimated to be worth more than Yen 100bn (\$500m).

The picture for domestic sewing machine demand is similar. The total market peaked in the early 1970s and since then has remained static or declined. Singer, which has a study group examining how best the company could take an alternative approach to selling domestic machines in developing countries, anticipates that at best the European market will remain flat and the U.S. market will continue to decline by 5 per cent a year.

At present Singer's domestic sewing plants are operating at only 61 per cent of capacity and are projected to reach only 54 per cent of capacity in 1982 after major changes to the lines so that they will be more competitive with Japanese machines. Mr. Flavin says that for Singer increased factory utilisation must remain the key to future profitability.

In 1978 Singer was operating at 34 per cent of capacity worldwide and 55 per cent at Clydebank in industrial sewing machine manufacturing. Many of the machines made at Clydebank are stored, not sold, according to Singer.

Singer says it is also suffering in the area of product costs. At Clydebank for example, total costs for the Artisan machine (model 29K), over the past eight years, increased by 189 per cent while the UK retail price index grew by 150 per cent over the same period. Mr. Flavin says costs "are higher than Singer's competitors' selling prices." And costs for high volume domestic machines at Clydebank have gone up by an average of 20 per cent a year since 1973.

WHO WAS TO BLAME AT CLYDEBANK?

Last June, MR. JOE FLAVIN, chairman and chief executive of Singer's U.S. multinational, said: "The first and most important thing we should discuss is the mistakes that Singer has made in running Clydebank. We've made many, obvious ones include not giving Clydebank a proper product mission on a long-term basis, having too many models resulting in a manufacturing proliferation of product that does not allow for the most efficient manufacturing, and allowing Clydebank product costs to reach an uncompetitive position. This situation has been reached through our abandoning our responsibility as managers to take appropriate action to reduce costs and increase employee efficiency..."

"But we have not been alone in contributing to the lack of viability of Clydebank as a long-term manufacturing source. The opportunity existed and continues to exist for a positively motivated workforce to increase efficiency and resolve union practices that impede flexibility of operation—such as the arbitrary seniority definitions, barriers to the transferability of workers between parts of the factory, resistance to outside sub-contracting, and an inefficient pay plan that does not produce products at a competitive cost."

Later, MR. HUGH SWAN, trade union convenor at Clydebank, said: "The key to Clydebank's problems and survival is investment. There has been a lack of investment here since the 1960s, after the boom years of the 1940s and 1950s. Singer diversified then to such an extent that it became clipped out."

The unions at Clydebank have blamed this situation on a lack of capital investment by the company, a view which was partly backed by the PA survey. Most of the machines are made in a 70-year-old six storey building and much of the machinery is more than 50 years old.

This major PA has led to several major problems for management and the workforce, including high maintenance costs, high transportation costs of moving materials between floors and high operating costs because machines are incapable of running at standard speeds. The low productivity which resulted, said PA, was aggravated by a payment system which failed sufficiently to motivate the labour force.

The UK company at a time of deteriorating trading and rising costs has also become seriously undercapitalised.

At the end of 1977 the total debt of Singer UK (which consists of Clydebank, a marketing division and two very small manufacturing operations) was almost as great as shareholders' funds of £162m. The financial position would have been worse had it not been for what appears to be a clear decision some years ago to run down the business. Singer UK has been consistently adding less to fixed assets than

It has written off in the form of depreciation. And in spite of the impact of inflation, it has committed little new cash to working capital. The U.S. parent did not provide any new equity in the period 1973-1977 and in 1975, when the U.S. multinational was in very serious trouble, Singer UK paid out £2.5m in dividends although it only made a net profit of £0.3m.

In late 1976 Singer introduced a new machine—the programmable Centurion—on to the market. It has been heralded as "the biggest breakthrough in sewing machines for a decade." Total sales of the Centurion in the most advanced markets there is in the industrial market, it can remember up to 50 programmes. But it will not be made at Clydebank; it will be made in the U.S.

Perhaps the present frustration of Singer is best illustrated by a comment of a Singer executive last week when he said: "There is no plant quite like Clydebank. It has such an entrenched system. There are more than 40 people, for example, doing nothing all week but count out cash because the workers like their money in envelopes and refuse to open bank accounts. That's not 1979, that is 1984."

Letters to the Editor

Government borrowing

From Mr. R. Nottage
Sir—Mr. Nicholas Goodison, chairman of the Stock Exchange, defends the Government's investment policy against the charge that they refuse to buy Government stocks until they have forced up the rates of interest on them, and says that "if the Government did not need to borrow so much then interest rates would be lower" (Jan. 5).
Some of the trouble that the Government creates for itself comes from its extraordinary policy of funding the pension liabilities of the local authorities and nationalised industries. It is well known that pension funds do not greatly like fixed interest stocks, and much prefer to acquire assets offering prospects of growth in income and capital value. This preference is illustrated by the investment policies of the nationalised industries' pension funds. Recent reports show their fixed interest investments to be the following proportions of their total assets:

Water	32
Airways	23
Steel	23
Coal	15
Post Office	14
Electricity	13
Rail	5

From the figures in these reports it can be inferred that the pension funds of the major nationalised industries have total assets with a current market value of some £7bn, of which about £1bn, i.e. 15 per cent, is in fixed interest stocks, most but not all of which are Government stocks.
The funding of public sector pensions swells the public sector borrowing requirement, at least in the present era when even the most distant future. In its evidence to the Wilson Committee the Treasury estimated (para. 17) that the extra cost of funding these pensions compared with the cost of meeting them by the pay-as-you-go method is currently running at £1bn a year.

Assuming that local authorities' investment policies do not differ markedly from those in the nationalised industries, the Chancellor of the Exchequer can be sure that each year the public sector pension funds will take up only about £150m of the £1bn stock he needs to sell to keep them in the style of life to which they have become accustomed. To encourage them to buy more of his stock and so upset the preferred compositions of their portfolios he must offer them lavish rates of interest.

Moreover, the pension funds will not usually be as anxious to buy their £150m of Government stock as the Chancellor will be to raise the whole of his £1bn—which he must do in a matter of months or suffer dire consequences. Thus, in funding public sector pensions, the Chancellor makes himself a weak seller in a world of strong buyers of his own creating. Raymond Nottage, Reform Club, Pall Mall, SW1.

A taste of life

From Mr. D. Green
Sir—Martin Wright (December 29) asks that facilities be created to give graduates seeking employment a small taste

of the challenge in industry. If he has read David Cooksey's article of the same day, he will know why his request is not likely to be answered.

Any employee of more than six months' standing becomes protected by industrial relations legislation. No employee of less than 12 months' standing is likely to have any conception of what a large industrial organisation is like. Nowadays employers employ those whom they are pretty sure can have a long-term future with them; for they know that taking on anyone for less than six months is pointless—and taking them for longer offers a sure route to an expensive ride in the industrial tribunals.

All this of course is a great pity for countless thousands of youngsters—not merely graduates. But we have designed our industrial structure to look after those who have jobs, not those who have not—a circumstance that must have some of the founding fathers of the trade union movement turning in their graves as they contemplate what those who have inherited their mantle have done with it.

Sick pay schemes

From the Managing Director, Kintomont's General
Sir—The gain for employees under sick pay schemes (Eric Short, January 3) is limited to any tax refunds which might be received because the savings under such a scheme would pass to the employer in the form of reduced premium or cost of operating their own sick-pay arrangements.

From the employees point of view where an existing employer-funded sick pay scheme is to be replaced by an insured scheme one must not overlook the fact that due to the lower PAYE earnings there may be a loss of earnings related pension benefits as well as future National Insurance sickness benefits. As the major cost of operating a sick pay policy arises in the period of absence of 4 weeks or less there is a strong argument from the point of the employee in restricting the benefit under the insured sick pay entitlement to much less than the 12 months period indicated. The premium on employees who are treated as higher earners will be taxed as a benefit in kind.

Insured sick pay schemes have been sold for many years to take advantage of the saving in income tax but since the Social Security Act 1975 and the resultant change in the payment of National Insurance contributions to the PAYE system this has given a further impetus to the financial advantages of an insured scheme.

There is no difficulty in setting up and administering an insured sick pay scheme for any number of employees. What I believe Eric Short is referring to is probably the special schemes whereby the employer pays the actual cost of operating the insured scheme but uses an insured scheme to pay the benefit solely to avoid income tax and National Insurance contributions. In these cases insurers' administrative costs reduce from about 25 per cent under a conventional scheme to

Windsor cordon

From the Chairman, Environment Committee, Berkshire County Council
Sir—I refer to the letter from Mr. R. K. Turner (January 4) in response to your article "Juggernauts at bay" (December 29). I do not wish to comment on the merits or otherwise of the Windsor Cordon at present, as detailed evaluation is still being carried out. It is worth stressing that the scheme is experimental and Berkshire County Council will consider whether to make it permanent when all facts are available for consideration.

Cross-Channel links

From the Chairman, European Ferries
Sir—Sir Bruce White (January 4) raises again the possibility of a fixed Channel link. The suggestion which has been raised regularly for the last 200 years is based on the false assumption that existing cross-Channel facilities are inadequate to meet the demand and that a fixed link would provide a better and more economic solution. The facts are as follows:

Channel ferries and hovercraft over in the peak season do not average more than 50 per cent loading. There is, therefore, clearly sufficient capacity to meet the public's demand and furthermore unlike a fixed link the present methods are completely flexible and can be expanded to fit the market.

At the time of the last Channel Tunnel study the final output cost of the tunnel was reliably estimated to be £1.5bn. Since those figures were calculated in 1974, however, rates of inflation, construction cost and interest have greatly exceeded predictions then made. If the 1974 proposal had gone ahead the final cost in 1979 would have been more than £2.5bn. Commercially it would have been quite impossible for the tunnel to compete with a capital cost 10 times greater than that of its competitors.

Much of the benefit claimed for the tunnel and the belief that it would scoop the cross-Channel market rests on the claimed time advantage. This does not reconcile with the fact that the hovercraft system, which is faster than the proposed rail system, is still in a minority position on the market. The advantages of the present system are that it is entirely flexible, can be expanded and altered to meet changing needs, is cheaper, and is environmentally much less damaging than a fixed link since the traffic can be spread to areas as far apart as Southampton and Felixstowe.

Lastly, I follow my invariable practice by declaring my interest. I am the chairman of a company which operates cross-Channel ferries and your readers will no doubt take that into account in considering my comments. How refreshing it would be if those connected with the construction and civil engineering industry similarly declared their interest when publicly giving support to a fixed link. I have never yet known one to do so. K. D. Wickenden, 4th Floor, Trafalgar House, 11, Waterloo Place, SW1.

Government borrowing

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Sir—Mr. Nicholas Goodison, chairman of the Stock Exchange, defends the Government's investment policy against the charge that they refuse to buy Government stocks until they have forced up the rates of interest on them, and says that "if the Government did not need to borrow so much then interest rates would be lower" (Jan. 5).
Some of the trouble that the Government creates for itself comes from its extraordinary policy of funding the pension liabilities of the local authorities and nationalised industries. It is well known that pension funds do not greatly like fixed interest stocks, and much prefer to acquire assets offering prospects of growth in income and capital value. This preference is illustrated by the investment policies of the nationalised industries' pension funds. Recent reports show their fixed interest investments to be the following proportions of their total assets:

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A taste of life

From Mr. D. Green
Sir—Martin Wright (December 29) asks that facilities be created to give graduates seeking employment a small taste

Today's Events

Mrs. Margaret Thatcher, Opposition leader, speaks at Association of British Chambers of Commerce lunch, Savoy Hotel, London, on industry, commerce and pay policy.
British Rail Southern Region train drivers' strike.
National Economic Development Council monthly meeting.
Trades Union Congress economic committee meets, Congress House, London.
Civil Aviation Authority public hearing on applications to develop passenger and cargo services from Stansted Airport, Essex.

Today's Events


General strike called in Nicaragua to protest against regime of President Somoza.
Mr. Warren Christopher, U.S. Deputy Secretary of State, starts two-day visit to Turkey to discuss bilateral issues and emergency funding.
Italian Government publishes three-year economic plan.
German steelworkers ballot on ending strike action.
Canada and U.S. negotiate on maritime disputes.
Sweden's budget for fiscal 1979 published.

Today's Events

Sotheby's sale of Eastern rugs and carpets.
Group Captain Leonard Cheshire, speaks on the error of pacifism, at St. Lawrence Jewry next Guildhall, 1.15 pm.
Sir Kenneth Cook, Lord Mayor of London, attends Wax Chandlers' Company lunch, Gresham Street.
OFFICIAL STATISTICS
Treasury publishes Central Government financial transactions (including borrowing requirements) for December.
Third-quarter figures for gross

COMPANY RESULTS

Final dividend: Eurotherm International, McCordale and Co., M and G Dual Trust, Westland Aircraft. Interim dividends: Astra Industrial Group, Peter Black Holdings, Hollis Group, H. and R. Johnson-Richards Tiles, Henry Wigfall and Sons.
COMPANY MEETINGS
Duple International, Clifton Arms, Lytham, Lancs, 12. J. H. Fenner, Queen's Hotel, Leeds, 12.30. Stockholders Investment Trust, Winchester House, 100 Old Broad Street, EC, 12.45.



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December 1978

ISSUE NEWS

Haslemere Ests. £12.1m rights

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

Haslemere Estates announced a £12.1m one-for-five rights issue yesterday. On the strength of a forecasted 20 per cent increase in pre-tax profits to not less than £3.4m in 1978-79, Hill Samuel, acting for Haslemere, has completed underwriting for the new issue at 200p a share, a 40% discount to the market price, down 5p on the day.

Mr. David Pickford, Haslemere's managing director, explained yesterday that the £12.1m net proceeds of the rights issue will initially be used to repay the group's bank borrowings, with a consequent reduction in interest charges expected to cost £5.7m this year. But Mr. Pickford does not feel that short-term debt (£3.6m out of total loan capital of £54.9m) forms too high a proportion of borrowings. And the rights proceeds will eventually be used for further expansion of Haslemere's property development and restoration business.

Yearlings rate down 1/4%

THE INTEREST rate on this week's issue of local authority yearlings bonds is 1 1/4 per cent down on last week's 1 3/4 per cent. The stock is issued at par and is due for repayment on January 16, 1980.

Weak dollar to affect Gordon & Gotch profits

BECAUSE of the fall in the U.S. dollar and its effect on other major currencies, the directors of Gordon & Gotch Holdings do not expect results for the current year to March 31, 1979 to match last year's record of £1.0m.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, Apr, May, July, Stock. Lists various options like ABN, AKZ, ARB, etc.

Gold Fields Group

DEELKRAAL GOLD MINING COMPANY LIMITED

Table with columns: Qtr. ended 31/12/1978, Qtr. ended 30/9/1978, Six months ended 31/12/1978. Includes Operating Results, Financial Results, and Capital Expenditure.

VENTERSPOST GOLD MINING COMPANY LIMITED

Table with columns: Qtr. ended 31/12/1978, Qtr. ended 30/9/1978, Six months ended 31/12/1978. Includes Operating Results, Financial Results, and Capital Expenditure.

DOORNFONTEIN GOLD MINING COMPANY LIMITED

Table with columns: Qtr. ended 31/12/1978, Qtr. ended 30/9/1978, Six months ended 31/12/1978. Includes Operating Results, Financial Results, and Capital Expenditure.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, Apr, May, July, Stock. Lists various options like ABN, AKZ, ARB, etc.

WEST DREEFSBTEIN GOLD MINING COMPANY LIMITED

Table with columns: Qtr. ended 31/12/1978, Qtr. ended 30/9/1978, Six months ended 31/12/1978. Includes Operating Results, Financial Results, and Capital Expenditure.

LIBARON GOLD MINING COMPANY LIMITED

Table with columns: Qtr. ended 31/12/1978, Qtr. ended 30/9/1978, Six months ended 31/12/1978. Includes Operating Results, Financial Results, and Capital Expenditure.

DOORNFONTEIN GOLD MINING COMPANY LIMITED

Table with columns: Qtr. ended 31/12/1978, Qtr. ended 30/9/1978, Six months ended 31/12/1978. Includes Operating Results, Financial Results, and Capital Expenditure.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, Apr, May, July, Stock. Lists various options like ABN, AKZ, ARB, etc.

DECEMBER QUARTERLIES

EAST DREEFSBTEIN GOLD MINING COMPANY LIMITED

Table with columns: Qtr. ended 31/12/1978, Qtr. ended 30/9/1978, Year ended 31/12/1978. Includes Operating Results, Financial Results, and Capital Expenditure.

LIBARON GOLD MINING COMPANY LIMITED

Table with columns: Qtr. ended 31/12/1978, Qtr. ended 30/9/1978, Six months ended 31/12/1978. Includes Operating Results, Financial Results, and Capital Expenditure.

DOORNFONTEIN GOLD MINING COMPANY LIMITED

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EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, Apr, May, July, Stock. Lists various options like ABN, AKZ, ARB, etc.

NOTE: Copies may be obtained from the London Secretary, 49 Moorgate, London, EC2R 6BQ

Companies and Markets BIDS and DEALS

MINING NEWS

Averys board turns down GEC merger approach

The Board of Averys, the weighing machine and measuring instrument company, yesterday rejected the possibility of a take-over by the General Electric Company.

On November 30, GEC announced that it had opened talks with Averys on the possibility of a 225p cash offer for Averys' ordinary shares, which would be worth a total of £33m.

Guthrie slips 7p on selling in Far East

Shares of Guthrie Corporation, which is the object of a bid approach by Sime Darby, fell 7p to 430p in late dealings yesterday, reportedly on selling from the Far East.

At one extreme are those who regard Guthrie as an admirable plantation company and one of the few vehicles for British investment in palm oil and rubber plantations without payment of the dollar premium.

At the other end are those who regard the passing of control of British plantation companies to the local inhabitants as an inevitable process, to be protected from, not resisted.

Guthrie can be expected to produce a strong defence against a bid of 425p or even somewhat higher. It has had many months to prepare for this bid having been warned by persistent rumours last summer.

On the other hand the institutions are finding it difficult to see a possible counter-bidder which could set up an auction.

Foster Bros. buys Millets of Bristol

Foster Brothers Clothing Company, the multiple retailer specialising in menswear, has agreed to buy Millets of Bristol (Holdings) for at least £2.5m in cash and shares.

Foster will get an immediate return on its investment said Mr. B. G. Davison, the group managing director, yesterday.

The buying power of Foster, which has 560 menswear shops, 60 childrenswear shops and 30 drugstores, would help improve Millets' margins.

Pre-tax profits of £488,000 were made by Millets in the year ending January 28, 1978, and over £500,000 is being forecast for 1978/79. If profits do reach £500,000 in this period then the consideration will be increased by £400,000.

World diamond sales hit a best-ever \$2.55bn

BY KENNETH MARSTON, MINING EDITOR

WORLD SALES of rough gem and industrial diamonds handled in 1978 by the Central Selling Organisation on behalf of De Beers and other producers have soared to a best-ever \$2.55bn (\$2,550m), a 23 per cent increase on the 1977 record of \$1.8bn (\$1,800m).

Table showing diamond sales in millions of dollars for various years from 1976 to 1978.

The impetus was maintained throughout the year, a total of \$1,088m in the first half of 1978 being followed by one of \$1,160m in the second half.

Such hedging almost got out of control in the first half of last year when merchants were hoarding uncut gems instead of passing them along the processing and marketing chain.

Further, the advent of independence in Namibia (South West Africa) could result in some reduction in the group's profits from that country which currently accounts for about 22 per cent of the total, although expansion is under way at the group's other mines in South Africa, Botswana and Namagaland.

Ayer Hitam does well

Production of tin concentrates at Malaysia's Ayer Hitam continued on a firmly rising path in December with an output for the month of 335 tonnes—the highest since November, 1976.

THE Australian Government has finally given its approval for development of one of the major uranium discoveries in the Northern Territory.

Higher gold profits in Dec. quarter

A GOOD showing is made by the first batch of December quarterly reports from the South African gold producers, those of the Consolidated Gold Fields group.

Although lower than the previous month's output, production at Malayan Tin continues well ahead of the same period last year with the six-month total of 1,578 tonnes against 1,247 tonnes.

Table showing gold production in tonnes for various countries from Dec 1977 to Dec 1978.

Go-ahead for Ranger uranium

The last major hurdle was cleared in November when agreement was reached with the Northern Land Council on royalties for traditional Aboriginal landowners.

Government is considering allowing conditional contracts, to speed up negotiations, which would allow the venturers to work out terms and prices before a safeguards agreement is concluded.

The joint venturers will proceed to full-scale development and production as soon as finance documentation is concluded and satisfactory marketing arrangements are entered into.

Bush Boake Allen purchase

Bush Boake Allen, part of the UK-based Albright and Wilson chemical concern, has bought the U.S. flavour and fragrance business of Monsanto chemicals group.

The deal will give Bush Boake Allen the rights to Monsanto Flavour & Essence's Veitex Malodor counteracting fragrances.

Monsanto, which went into the flavours and fragrances market in 1968, said the sale was part of its long-term plan to divest itself of businesses which were either less profitable or in which it had not built up a great deal of expertise.

SPENCER CLARK DISPOSALS

High-speed tool manufacturer Spencer Clark Metal Industries is disposing of part of its Greenbrough Street Works, Rotherham and the whole of North British Steelworks, Penistone, Sheffield for a total consideration of about £800,000.

The diamond market is now in its seasonally quiet period and no great excitement is expected at the January eight next week.

London Clearing Banks' balances

as at December 13, 1978

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England.

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector.

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control.

TABLE 1. AGGREGATE BALANCES

Table 1: Aggregate Balances. Shows liabilities and assets for London clearing banks as at December 13, 1978.

Table 2: Individual Groups of Banks' Balances. Shows liabilities and assets for various bank groups including Barclays, Lloyds, Midland, National Westminster, Williams & Glyn's.

Banking figures

(as table 9 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

Table showing banking figures: Eligible liabilities, Reserve assets, and Constitution of total reserve assets.

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Advertisement for CREDIT COMMERCIAL DE FRANCE, U.S. \$35,000,000 Floating Rate Notes 1977-1983.

Advertisement for BUILDING SOCIETY INTEREST RATES, listing rates for Greenwich and London Goldhawk.

Companies and Markets

INTNL. COMPANIES and FINANCE

Chrysler and Mitsubishi discuss vital changes in business lines

BY RICHARD C. HANSON IN TOKYO

THE TOP executives of Chrysler Corporation and Mitsubishi Motor Corporation yesterday began another round of talks in Palm Springs, California, which could lead to fundamental changes in their business ties.

One immediate problem facing Mitsubishi Motor, in which Chrysler has a 15 per cent stake, is how to diversify its car distribution system in the American market away from the Chrysler network.

The American manufacturer now handles all of Mitsubishi's U.S. sales. From 1980, however, changes in U.S. regulations will mean that Chrysler will have to concentrate on producing its own small-size vehicles to meet new Government fuel economy standards.

The regulation, effective from next year, excludes so-called "captive" imports in measuring the combined average fuel consumption of all models produced for required levels. Imports from Japanese makers like Mitsubishi (and in GM's

case from Isuzu) have smaller engines and would have helped lower the fuel consumption average and meet the standard.

Mitsubishi exports about 120,000 cars annually to the U.S. for sale under Chrysler brand names. Internationally, Chrysler handles about 60 per cent of Mitsubishi exports.

On the other hand, Chrysler is apparently seeking Mitsubishi co-operation—including financial—in carrying out an ambitious, and expensive, retooling of its plants in order to meet the 1985 fuel economy standards.

It is considered highly unlikely that Mitsubishi (and its parent, Mitsubishi Heavy Industries) will agree to any substantial equity participation in Chrysler in the U.S. The Mitsubishi parent itself is somewhat tight for funds because of the continuing slump in shipbuilding and other heavy machinery sales.

Mitsubishi, meanwhile, is trying to reach an agreement on an equity share in Chrysler's Australian subsidiary, a matter which will have to be settled, probably, before any other

financial ties can be considered. Mitsubishi would like to reach an agreement in the next few months.

Japanese Press reports have said that Chrysler has asked Mitsubishi informally to consider equity participation. There is also speculation on Chrysler selling its share in Mitsubishi.

The Japanese Press has also reported that Mr. Lee Isaacca, Chrysler's new president, and Mr. Tomio Kubo, the Mitsubishi president, will talk about changes in the payments for its exports.

Mitsubishi is believed to want a shortening of the period for settlement of export letters of credit from Chrysler. The outstanding amount owed to Mitsubishi could total ¥80bn (\$410m), according to Nihon Kogyo Shinbun, a business daily. A Mitsubishi spokesman could not confirm any of the Press speculation.

Mitsubishi did say, however, that the impact of Chrysler's need to sell more of its own U.S.-made small cars is already showing up in American inventories.

In October, a meeting of executives from the two companies produced a contract under which Mitsubishi would supply 200,000 engines a year for five years in the early 1980s.

Chrysler Corporation is planning to build an engine plant in Mexico, according to a report in a trade magazine, AP-DJ reports from Detroit. Machine tool suppliers of the third biggest motor manufacturer have been consulted about providing equipment for a Mexican plant, the magazine Metalworking News said. Chrysler officials would neither confirm nor deny the report.

The possibility of a Mexican deal follows Chrysler's sale of its European operations to Peugeot-Citroen of France. The U.S. manufacturer will receive 1.8m shares of Peugeot-Citroen stock and \$30m for the sale. The money will help to finance the Mexican plant, Metalworking News said.

Chrysler has two major manufacturing bases in Mexico, which sell and build four lines of cars and trucks.

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Tandberg staff to raise capital for TV plant

By Fay Gjerster in Oslo

EMPLOYEES AT one of the plants belonging to Tandberg, the Norwegian state-owned electronics concern, recently declared bankrupt, have agreed to form an interim company which will try to carry on production of Tandberg TV and radio sets.

Another interim company, formed with Government assistance, aims to continue production of Tandberg's profitable lines such as data equipment, language laboratories and possibly tape recorders. It believes, however, that continued production of Tandberg TV and radio sets is not feasible economically.

The employees' company, which will have the legal minimum share capital of Nkr. 50,000 (\$10,000) will negotiate with Tandberg's receivers to buy the radio and TV factory. Mr. Tor Halvorsen, chairman of Norway's TUC, said that he sympathised with the workers' ambitions but it would be difficult for them to raise the capital they would need.

The TUC's legal department has helped Tandberg workers with advice about the formalities of setting up an interim company.

Adam Opel increases output

ADAM OPEL, AG, the West German subsidiary of General Motors, reports a 6 per cent increase in vehicle sales in West Germany to 520,000 units for 1978.

Total production of the company, which maintains plants in three European countries, rose 3.7 per cent to 959,202 units which represented "almost full" capacity utilisation, a Press meeting was told.

The company predicted that production would increase further to about 990,000 units in the current year or at almost "maximum" capacity. Price levels of the European models would rise as labour costs and the prices of raw materials continue to climb.

AP-DJ

EOE turnover drops sharply

AMSTERDAM — Turnover on the European Options Exchange fell sharply to 14,574 contracts in December from 24,041 in November.

Average daily turnover dropped to 767 contracts from 1,093 in November, returning to the levels seen in the exchange's first four months of operation. After average daily turnover of over 1,000 contracts in August to November inclusive.

The exchange said that the lower turnover reflected the fact that Dutch share prices showed little net change in December, although U.S. options were active.

Exchange turnover from its opening on April 4 to the end of December totalled 187,461 contracts, of which the general public's share, at 48 per cent, was higher than expected, the exchange said.

Reuters

Split planned at Saunier-Duval

BY DAVID WHITE IN PARIS

REORGANISATION AT Saint-Gobain-Pont-a-Mousson, the diversified French industrial combine, is leading to the splitting-up of an engineering group, Saunier-Duval, in which it has a blocking interest.

Saunier-Duval, which was in financial difficulties up to a couple of years ago, is to be divided into two independent companies, one taking over its large electrical installation business and the other its heating and plumbing activities.

Saint-Gobain-Pont-a-Mousson holds 46.2 per cent of the capital alongside family and other interests. Its stake, it is thought, will not change under the plan, expected to take effect next year. It is envisaged that both the independent companies will be quoted on the Paris stock exchange.

Saunier-Duval has forecast 1978 results double the previous year's, with net profits rising from Ffr 5.4m to over Ffr 10m (\$2.4m).

Combined turnover is expected to rise this year to about Ffr 1.32bn (\$432m) from Ffr 1.62bn last year. Turnover in electrical installations is forecast at Ffr 1.07bn, or 8 per cent up on 1978, and sales of heating and related appliances at Ffr 750m, to show the much larger growth rate of 19 per cent.

Saint-Gobain-Pont-a-Mousson said that the move fitted into its strategy of organising the various parts of the group by activity. The two sides of Saunier-Duval are distinct—the contracting business of electrical installations for factories and residential buildings, and the manufacturing activity con-

ducted with central heating and so on.

The same re-organisation process has already been seen within the Saint-Gobain-Pont-a-Mousson group proper, especially in the glassmaking activities of the former Saint-Gobain company. These are still held together under a holding unit, Saint-Gobain Industries, but this formula is to be dispensed with in the case of Saunier-Duval.

The move is not expected to imply thinning out of Saunier-Duval's activity, since it is in much better standing than in 1974 and 1975, when it reported heavy losses. However, it is possible that Saunier-Duval's current manufacturing activities will in future be closely linked with similar operations within the Pont-a-Mousson part of the group.

Upturn after restructure at Neckermann Versand

BY GUY HAWTIN IN FRANKFURT

NECKERMANN VERSAND — the ailing Frankfurt store and mail order group acquired by Karstadt some two years ago—has produced 1978 figures which show a marked improvement on its past performance. While the substantial restructuring the group has undergone has reduced total sales, the underlying sales picture is one of palpable growth.

It will be some time before the group's profit and loss account is made public, but according to the interim statement on the year's performance, real sales on the group's mail order operations, including its showrooms, rose by 6.4 per cent to DM 1.53bn (\$832m), including Value Added Tax.

Under the Karstadt regime, the concern's loss-making department stores operations have been stripped away, with the bulk of them placed directly under Karstadt management. Those situated in towns where Karstadt already has a store in the near vicinity have been closed.

As a result Neckermann Versand's overall figures for 1978 show a decline of 27 per cent on the sales front, with turnover totalling DM 1.69bn. By the by, this, of course, has somewhat distorted Karstadt's figures for the year.

An impressive 19.2 per cent expansion rate was reported by Neckermann's travel subsidiary N-U-R Neckermann und Reisen, which in the 1977-78 business year saw business reach DM 1.07bn. Within this figure, the steepest growth rate was reported by its Neckermann Vliegreisen subsidiary, based in Amstelveen, Holland, which achieved a sales increase of 30.1 per cent to F180m.

Neckermann Eigenheim, its prefabricated housing operation, also had an excellent year. Sales rose 18.9 per cent to DM 458m. 1977 performance to DM 438m.

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Higher issues of Israeli dollar bonds

By L. Daniel in Tel Aviv

SALES OF Israeli Government dollar-bonds totalled \$370m in 1978, compared with \$315m in 1977. This was the fourth successive year that cash receipts from the sale of Israel bonds and other Israeli securities showed a substantial increase over the preceding year.

The rise in 1978 was the largest achieved in any non-war year. The proceeds from the bonds are one of the major sources for the expansion of Israeli industry and infrastructure.

Since the launching of the Israel bond drive in 1951, a total of close to \$4.3bn of these bonds and similar securities have been sold. Many of the earlier series have meanwhile been retired on maturity. A proportion of the bonds is also converted into Israeli currency by bondholders visiting Israel to finance their local expenses. While the greater part of the issues go to the Jewish public, a growing proportion is being taken up by non-Jewish U.S. institutional investors.

Genesco sells stake in French shoe company

PARIS — The Swiss fashion group Lewy S.A. has agreed to acquire the 92 per cent interest in the French shoe company Charles Jourdan held by Genesco of the U.S. The transaction, which remains subject to French government approval, is believed to involve about \$20m.

Jourdan, which manufactures and distributes high quality footwear and accessories in Europe and the U.S., has annual sales of about Ffr 100m.

The French authorities are known to have linked the acquisition of Jourdan to the takeover of Societa Sillat, another shoe company, in which Jourdan's president, M. Roland Jourdan and the French Industrial Development Institute (IDI) have an equal share.

AP-DJ

Lindt chocolate group sees flat 1978 sales

BY JOHN WICKS IN ZURICH

THE SWISS chocolate company Lindt and Spruengli expects 1978 world turnover, including licence income, to show little change from the 1977 level of SwFr 408m (\$249m).

In an interview with the Zurich newspaper Finanz und Wirtschaft, chairman Dr. Rudolph R. Spruengli said that sales in local currencies had risen by between 10 and 15 per cent, but this had been offset by the rise in the Swiss franc exchange rate.

The budgeted profit figure for the parent company had not quite been reached in 1978, according to Dr. Spruengli. However, the company would again show "good results" and could not complain at last year's profit level. Parent company sales are expected to have fallen slightly within the group total to about SwFr 142m from SwFr 145.9m, due to a drop in direct exports. On the home market, the rise of the Swiss franc has meant lower sales to tourists and in frontier areas.

The Zurich-based Euro-Clear clearance system has announced an extension of its services to permit the acceptance of all outstanding Samurai yen bond issues for deposit and clearance.

Euro-Clear accepted the Kingdom of Denmark yen issue last August as a start to its Samurai service and has since expanded to include a number of other new and outstanding issues. Now, Euro-Clear participants will be able to deposit any Samurai issue, in either bearer or registered form, and to hold and clear Samurai bonds under normal Euro-Clear conditions and tariffs.

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Mainland prospects for China Light

HONG KONG — China Light and Power Co. may begin supplying electricity to Kwangtung province within the next few months, informed sources said.

The sources said that work is in progress on the installation of transmission lines between Hong Kong and China and scheduled for completion within three months.

A spokesman for China Light contacted by Reuters refused to discuss the matter. The sources said that the amount of electricity to be supplied to Kwangtung and the

capacity of the link initially would be relatively small. They also said that China could supply Kowloon via the new link in the event of a power failure here.

Rumours that China Light would supply electricity to Kwangtung on completion of its new power station at Castle Peak in the New Territories, have circulated for some time, but have not been confirmed by the company.

However, the sources said there have been a number of visits to Hong Kong by Chinese power authority officials for dis-

cussions with China Light, and China Light engineers may soon visit Canton.

China Light chairman, Sir Lawrence Kadourie said in November that agreement had been reached for the company to obtain coal supplies from China for the new power station.

The station will comprise four 350MW dual coal/oil fired generating units to be commissioned between 1982 and 1988. A second station housing four units of not less than 500 MW is also to be built at the site. Work is already in progress on

land reclamation for the power stations.

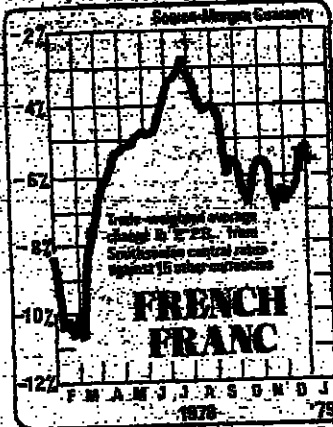
The company also announced last month a contract for construction of a 400 kV transmission network to carry supplies from the new stations, in four phases to coincide with the commissioning of the generating units.

The new power stations are to be operated by Kowloon Electricity Supply Company, a company owned jointly by China Light and the Exxon Corporation subsidiary, Eastern Energy Ltd. Reuters

CURRENCIES, MONEY and GOLD

Dollar improves towards close

Trading was very quiet in the foreign exchange market yesterday, with a sudden rise by the dollar towards the London close.



the dollar by European central banks. The lowest point touched 1.6350, but the dollar rose to DM 1.8410 on Monday.

In the afternoon, Sterling closed at \$2.0185-2.0195, a fall of 65 points on the day.

ZURICH—The dollar lost ground against major European currencies and the Japanese yen in a dull early trading.

BRUSSELS—The French franc lost ground on reports that the French President and German Chancellor were hopeful that the European Monetary System could start by February 1.

Table: THE POUND SPOT and FORWARD AGAINST £. Columns include currency, bid/offer rates, and forward rates for one, three, and six months.

Table: THE DOLLAR SPOT AND FORWARD. Columns include currency, bid/offer rates, and forward rates for one, three, and six months.

Table: CURRENCY RATES and CURRENCY MOVEMENTS. Lists various currencies and their daily movements.

Table: OTHER MARKETS. Lists exchange rates for various international markets.

Table: EXCHANGE CROSS RATES. Provides cross-rates for major currencies like the Dollar, Franc, Mark, and Yen.

Table: EURO-CURRENCY INTEREST RATES. Lists interest rates for various Euro-currency deposits.

INTERNATIONAL MONEY MARKET Fed funds steady

Federal funds were trading at 10-10 1/2 per cent in New York, little changed from previous Monday's overnight reverse.

Twelve-month money was quoted at 4.1-4.3 per cent from 3.95-4.05 per cent.

UK MONEY MARKET Very large assistance

Bank of England Minimum Lending Rate 12 1/2 per cent (since November 3, 1978).

Treasury bills maturing outside official hands together with a slight fall in the note circulation.

GOLD Late fall

Gold fell \$1 to \$222.2234 in the London bullion market yesterday.

Following Monday's cut in one- and two-month Treasury certificates, the Belgian National Bank yesterday lowered the rate again.

Table: LONDON MONEY RATES. Detailed table of interest rates for various financial instruments in London.



Norwich Union becomes Norwich Winterthur in the Arabian Gulf

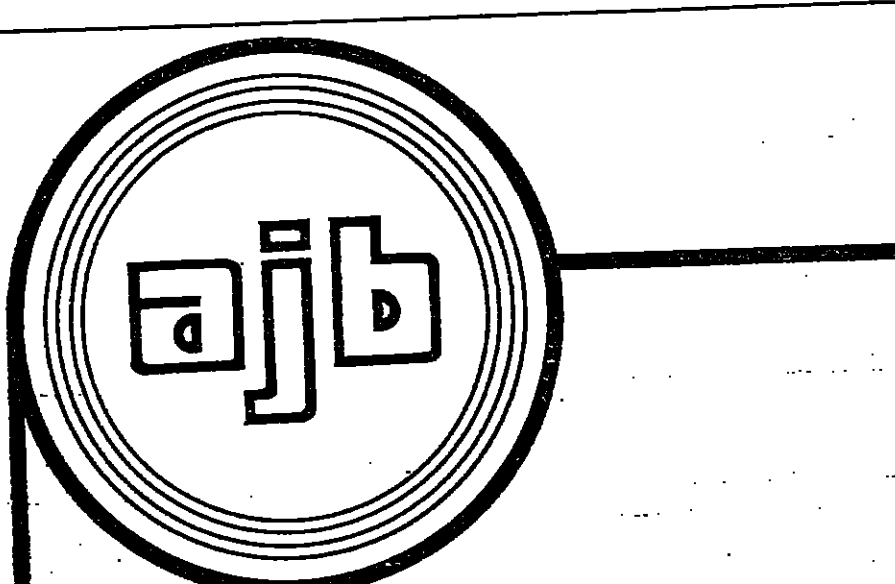
With effect from early 1979, subject to Government consents, Norwich Union is transferring its extensive general insurance business in the Arabian Gulf to two new Norwich Winterthur Companies.

Norwich Winterthur Insurance (Gulf) Ltd. (Incorporated in Bermuda) General Manager: G.W.H. Jones A.C.I.I.

Norwich Winterthur Insurance (Arabia) Ltd. (Incorporated in Bermuda) General Manager: R.C. Carter A.C.I.I.

Norwich Winterthur will be represented by the present Norwich Union Agents. Existing staff will continue under the new arrangements and the high level of technical expertise will be maintained.

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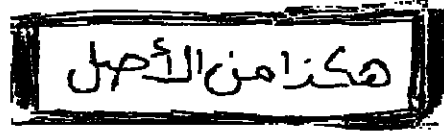
accelerate to Saturday's motoring page



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FINANCIAL TIMES ON SATURDAY—THE FIRST OF THE SUNDAYS



Companies and Markets

LONDON STOCK EXCHANGE

Secondary equities active and firm but leaders dull on continued labour unrest—Medium tap exhausted

Account Dealing Dates... First Declara- Last Account Dealings... Jan. 11 Jan. 12 Jan. 23 Jan. 15 Jan. 23 Jan. 28 Feb. 6 Jan. 29 Feb. 8 Feb. 9 Feb. 20

Stock markets failed to shake off the depressing effects of the current labour disputes and the overnight rally inspired by the apparent easing of fuel supply following the Esso and Shell pay agreements soon ran out of steam.

Prices of equity leaders were firm enough to start with but soon reacted to either around overnight levels for most of the day in the absence of support before easing to close with small falls on balance.

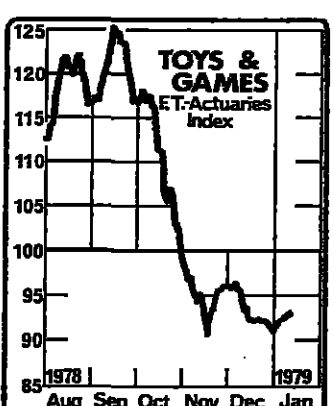
It was left to second-line equities to provide scattered firm features, but the overall tone remained satisfactory and active, as measured by official markings of 5.78, expanded to its best since September 27 last.

more to 246p, while fellow D-I-Y concern A. G. Stanley added 8p at 188p. Further speculative buying lifted MPT Furniture 3 more to 155p and a resurgence of speculative support for James Walker lifted the ordinary and A shares 6p higher at 125p and 113p respectively.

Simon Engineering, 266p. Westland became a better market at 35p, up 4, awaiting today's preliminary results. Further occasional support was forthcoming for Mining Supplies which hardened 2 more to 124p and Mitchell Somers a like amount dearer at 94p.

Steady at 285p before the rights issue and profits forecast announcement. Haslemere touched 272p immediately following it but subsequently fell back to 260p for a net loss of 8p; the 9p per cent convertible shed 7 points to 148p.

Increased Romal rallied 30 to 285p, while Lawrie added 10 to 350p. Late rise in De Beers Mining markets enjoyed a good day with activity much improved. De Beers attracted a good deal of interest both before and after the Central Selling Organisation 1978 diamond sales figure which showed a 23 per cent increase on the previous year; initially, the shares had eased to 392p but as news of the sharply higher sales figures reached the market, prices advanced strongly, fuelled by American buying, to close 5 better on balance at 405p.



Bank up again Of the narrowly mixed miscellaneous industrial leaders, Rank Organisation again stood out with a fresh rise of 8 to 276p, after 37p, following investment support ahead of the preliminary results due on January 24. Elsewhere, ICL added 15 to 450p with sentiment helped by news of a £1m computer contract from BL.

Standing 4 higher for most of the session, a late speculative flurry lifted Samuelson Film Service to 136p for a net gain of 1p.

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FINANCIAL TIMES STOCK INDICES. Table with columns for Jan 8, Jan 9, Jan 10, Jan 11, Jan 12, Jan 13, Jan 14, Jan 15, Jan 16, Jan 17, Jan 18, Jan 19, Jan 20, Jan 21, Jan 22, Jan 23, Jan 24, Jan 25, Jan 26, Jan 27, Jan 28, Jan 29, Jan 30, Jan 31, Year to date.

HIGHS AND LOWS S.E. ACTIVITY. Table with columns for High, Low, S.E. Activity, and Jan 8, Jan 9.

NEW HIGHS AND LOWS FOR 1978/9. Table with columns for Stock, Denomina- tion, Closing price (p), Change on day, 1978-79 high, 1978-79 low.

RISES AND FALLS YESTERDAY. Table with columns for British Funds, Foreign Bonds, Industrial and Prop., Oils, Plantations, Mines, Recent Issues, and Totals.

ACTIVE STOCKS. Table with columns for Stock, Denomina- tion, Closing price (p), Change on day, 1978-79 high, 1978-79 low.

A FINANCIAL TIMES SURVEY FACTORY AND INDUSTRIAL EQUIPMENT 30 January 1979. The Financial Times proposes to publish a Survey on Factory and Industrial Equipment. The provisional editorial synopsis is set out below. INTRODUCTION The factory today: a place for satisfying work and healthy profits or a battle ground for industrial strife?...

LONDON TRADED OPTIONS. Table with columns for Option, Expiry, Closing price, Vol., Closing offer, Vol., Equity close.

RECENT ISSUES. Table with columns for Issue, Price, P/E, Dividend, etc.

FIXED INTEREST STOCKS. Table with columns for Issue, Price, P/E, Dividend, etc.

"RIGHTS" OFFERS. Table with columns for Issue, Price, P/E, Dividend, etc.

FT-ACTUARIES SHARE INDICES. These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries. Table with columns for EQUITY GROUPS, GROUPS & SUB-SECTIONS, and FIXED INTEREST PRICE INDICES.

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Table of British Funds with columns for Name, Price, Dividend, and Yield.

Over Fifteen Years

Table of funds with performance over 15 years.

Over Fifteen Years

Table of funds with performance over 15 years.

Undated

Table of undated funds.

INTERNATIONAL BANK CORPORATION LOANS

Table of international bank corporation loans.

COMMONWEALTH & AFRICAN LOANS

Table of commonwealth and african loans.

LOANS

Table of various loans.

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Table of bonds and rails.

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CANADIANS

Table of Canadian stocks.

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BANKS & HP—Continued.

Table of banks and hire purchase.

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Table of beers, wines and spirits.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber and roads.

CHEMICALS, PLASTICS—Cont.

Table of chemicals and plastics.

DRAPERY AND STORES

Table of drapery and stores.

ELECTRICAL AND RADIO

Table of electrical and radio.

ENGINEERING—Continued

Table of engineering.

HOTELS AND CATERERS

Table of hotels and caterers.

INDUSTRIALS (Miscel.)

Table of industrial miscellaneous.

Main table of stock prices and market data.

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CHEMICALS, PLASTICS

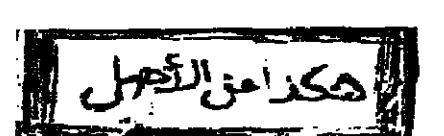
Table of chemicals and plastics.

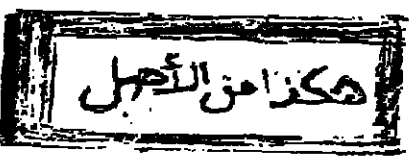
ENGINEERING MACHINE TOOLS

Table of engineering machine tools.

FOOD, GROCERIES, ETC.

Table of food, groceries, etc.





INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and various manufacturing firms, with columns for stock price, change, and volume.

INSURANCE—Continued

Table of insurance stocks such as Royal Indemnity, Commercial Union Assurance, and others.

PROPERTY—Continued

Table of property-related stocks including estate agents and real estate companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts such as British Venture, British Overseas, and various international funds.

FINANCE, LAND—Continued

Table of finance and land-related stocks including banks, insurance companies, and landowners.

Advertisement for DAIWA SECURITIES, International Finance, featuring the company logo and name.

MINES—Continued AUSTRALIAN

Table of Australian mining stocks including BHP, Anglo American, and various regional miners.

TINS

Table of tin stocks such as Anglo Tin Mines, Anglo American, and others.

COPPER

Table of copper stocks including Anglo American, Anglo American, and others.

MISCELLANEOUS

Table of miscellaneous stocks including various international and regional companies.

GOLDS EX-\$ PREMIUM

Table of gold stocks and related financial data.

NOTES

Notes section providing detailed information about various financial instruments, including interest rates and terms.

REGIONAL MARKETS

Table of regional market data for various countries and regions.

OPTIONS 3-month Call Rates

Table of 3-month call option rates for various companies and markets.

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